

UNITED STATES DISTRICT COURT

DISTRICT OF PUERTO RICO

In Re:) Docket No. 3:17-BK-3283 (LTS)
)
) PROMESA Title III
The Financial Oversight and)
Management Board for)
Puerto Rico,) (Jointly Administered)
)
as representative of)
)
The Commonwealth of)
Puerto Rico, et al.) February 16, 2022
)
Debtors,)

HEARING ON ADJOURNED OMNIBUS OBJECTIONS TO CLAIMS
BEFORE THE HONORABLE U.S. DISTRICT JUDGE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT COURT JUDGE
AND THE HONORABLE U.S. MAGISTRATE JUDGE JUDITH GAIL DEIN
UNITED STATES DISTRICT COURT JUDGE

APPEARANCES:

For The Commonwealth
of Puerto Rico, et al.: Ms. Laura Stafford, PHV

Appearing by videoconference.

For The Federal
Oversight and Management
Board:

Mr. Gabriel Miranda, Esq.

For Obe E. Johnson:

Mr. Obe E. Johnson, Pro Se

1 APPEARANCES, Continued:

2 For Maira Feliciano
Rosado:

Ms. Maira Feliciano Rosado, Pro Se

3

4 For Maria Carrion Vega:

Ms. Maria Carrion Vega, Pro Se

5

6 For Jack Mercado
De Jesus:

Mr. Jack Mercado De Jesus, Pro Se

7

8 For Maria Vianey
Rosario Cuevas:

Ms. Maria Rosario Cuevas, Pro Se

9

10 For Nydia Febo Vazquez:

Ms. Nydia Febo Vazquez, Pro Se

11

12 ALSO PRESENT:

13 Ms. Carol Terry, Interpreter

14

15

16

17

18

19

20

21

22

23

24

25

Proceedings recorded by stenography. Transcript produced by
CAT.

1	I N D E X	
2	WITNESSES:	PAGE
3	None offered.	
4		
5	EXHIBITS:	
6	None offered.	
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 San Juan, Puerto Rico

2 February 16, 2022

3 At or about 9:35 AM

4 * * *

5 THE COURT: Buenos dias. I am Judge Swain.

6 Would the courtroom deputy please announce the case?

7 COURTROOM DEPUTY: Good morning, Your Honor.

8 The United States District Court for the District of
9 Puerto Rico is now in session. The Honorable Laura Taylor
10 Swain presiding. Also sitting, the Honorable Magistrate Judge
11 Judith Dein. God save the United States of America and this
12 Honorable Court.

13 *In re: The Financial Oversight and Management Board*
14 *for Puerto Rico, as representative of the Commonwealth of*
15 *Puerto Rico, et al.,* PROMESA, Title III, case no.
16 2017-BK-3283, for Hearing on Adjourned Omnibus Motions.

17 THE COURT: Thank you.

18 Would counsel please turn their cameras on for these
19 introductory remarks and instructions, and keep your
20 microphones muted.

21 Is the interpreter, Carol Terry, there?

22 THE INTERPRETER: Yes, Your Honor.

23 THE COURT: Good morning. Thank you for being
24 present.

25 THE INTERPRETER: Good morning.

1 THE COURT: The first part of this proceeding will be
2 interpreted for one of the parties to a contested matter that
3 is on the docket. I will speak slowly, and will pause for
4 interpretation as I go along.

5 Ms. Terry, would you please begin interpreting with
6 the next remarks?

7 Welcome, counsel, parties in interest, and members of
8 the public, and press.

9 THE INTERPRETER: I'm interpreting simultaneously,
10 Your Honor. Did you need this to be done consecutively?

11 THE COURT: One of the people for whom we are
12 interpreting is on Zoom. He is not present in the courtroom,
13 so I would like you to -- unless you have a Zoom channel
14 that's working in Spanish to him.

15 So that's a question that I'd ask Ms. Tacoronte: Do
16 we have a Zoom Spanish channel for Mr. Johnson?

17 COURTROOM DEPUTY: Your Honor, I understand that
18 Mr. Johnson understands English.

19 Mr. Johnson, could you please signal us with a yes or
20 no if you understand?

21 MR. JOHNSON: I understand you.

22 THE COURT: Oh, very good. Good morning,
23 Mr. Johnson.

24 So simultaneous interpretation is just fine,
25 Ms. Terry. Thank you so much.

1 THE INTERPRETER: You're very welcome.

2 THE COURT: Welcome, counsel, parties in interest,
3 and members of the public, and press. The hearing this
4 morning is solely for the purpose of addressing several
5 pending Omnibus Claim Objections concerning the claims of pro
6 se creditors, which we are simultaneously conducting remotely
7 with our courtroom in San Juan for pro se participants, and on
8 the Zoom platform for counsel and for the Court. A
9 listen-only line is also available through AT&T.

10 If you are not here for purposes of this Claim
11 Objection Hearing, you may log out of the virtual hearing at
12 any time. The next Omnibus Hearing in these Title III cases
13 is scheduled for March 23rd, 2022.

14 To ensure the orderly operation of today's hearing
15 once we turn to our Agenda items, all parties appearing by
16 Zoom must mute their microphones when they are not speaking,
17 and turn off their video cameras if they are not directly
18 involved in the presentation or argument. When you need to
19 speak, you must turn your camera on, and unmute your
20 microphone on the Zoom screen.

21 I remind everyone that, consistent with court and
22 judicial conference policies, and the orders that have been
23 issued, no recording or retransmission of the hearing is
24 permitted by anyone, including but not limited to the parties,
25 members of the public, and the press. Violations of this rule

1 may be punished with sanctions.

2 I will be calling on each speaker during the hearing.
3 When your name is called, if you are in the courthouse, please
4 approach the podium and identify yourself by name for clarity
5 of the record. If you are participating by Zoom, when you are
6 called upon, please turn your camera on if you're using a
7 camera, unmute yourself, and identify yourself by name for
8 clarity of the record when asked.

9 We have ensured that interpretation services are
10 available to any speaker who needs Spanish-English
11 interpretation. After the speakers listed on the Agenda for
12 each of today's matters have spoken, I may permit other
13 counsel to address briefly any issues raised during the
14 presentations that require further remarks. If you wish to be
15 heard under these circumstances, or feel that you need to make
16 a comment in connection with an Agenda matter and you are
17 appearing by Zoom, please use the "raise hand" feature at the
18 appropriate time. That feature can be accessed by selecting
19 the reactions icon in the toolbox located at the bottom of
20 your Zoom screen. I will call on the speakers one by one.
21 After you have finished speaking, you should select the "lower
22 hand" feature.

23 Please don't interrupt each other or me during the
24 hearing. If we interrupt each other, it is difficult to
25 create an accurate transcript, but having said that, I

1 apologize in advance for breaking this rule, as I may
2 interrupt if I have questions or if you go beyond your
3 allotted time. If anyone has difficulty hearing me or another
4 participant, please use the "raise hand" feature immediately.

5 The Agenda was filed as docket entry no. 20125 in
6 case no. 17-3283, and it is available to the public at no cost
7 on Prime Clerk for those who are interested. I encourage each
8 speaker to keep track of his or her own time. The Court will
9 also be keeping track of the time, and will alert each speaker
10 when there are three minutes remaining with one buzz, and,
11 when time is up, with two buzzes. Here is an example of the
12 buzz sound.

13 (Sound played.)

14 THE COURT: If your allocation is three minutes or
15 less, you will only hear the final two buzzes.

16 If we need to take a break, the people who are
17 listening in on the AT&T telephone dial-in line should not
18 hang up, but, instead, should keep their lines on hold or open
19 until the time for resumption of the hearing. This morning's
20 session will continue until 12:30 PM Atlantic Standard Time,
21 which is 11:30 AM Eastern Standard Time. At that point, or
22 earlier, we expect that the hearing will adjourn for the day.
23 The hearing will then resume tomorrow, February 17th, 2022,
24 beginning at 9:30 AM Atlantic Standard Time, which is 8:30 AM
25 Eastern Standard Time.

1 Would counsel who are participating by Zoom, other
2 than counsel for the Oversight Board, please turn your cameras
3 off now, and if there is a later Agenda item to which you'll
4 need to speak, you'll turn on your camera at that point, or if
5 I call on you. For the sake of efficiency, the Court will
6 first hear the claim objections pertaining to those claimants
7 who are present at the courthouse in San Juan to participate
8 in the hearing or appearing by Zoom, and, periodically, I may
9 ask the courtroom deputy to indicate whether any additional
10 claimants have appeared in the courtroom, so that their
11 matters can be heard promptly. Thank you.

12 The first Agenda item is number I.1, which is the
13 response of Obe E. Johnson to the 374th Omnibus Objection to
14 claims. I will first ask counsel for the Oversight Board to
15 explain the basis of the objection, and then I will call on
16 Mr. Johnson to speak.

17 MS. STAFFORD: Thank you, Your Honor. This is Laura
18 Stafford of Proskauer Rose on behalf of the Oversight Board.

19 The objection scheduled for hearing this morning is
20 the 374th Omnibus Objection, which was filed at ECF no. 17923.
21 This objection seeks to disallow proofs of claim which were
22 filed after the bar dates established by this Court's bar date
23 orders. For the Commonwealth, COFINA, HTA, ERS, and PREPA,
24 that bar date is June 29th, 2018; and for PBA, that bar date
25 is July 29th, 2020.

1 Pursuant to the terms of the Bar Date Order, if a
2 claimant failed to file a proof of claim on or before the
3 applicable bar date, that claimant would be forever barred,
4 estopped, and enjoined from asserting a claim against the
5 debtors, and the debtors would be forever discharged from
6 indebtedness and liability with respect to such claim.

7 The response scheduled first for hearing this morning
8 was filed by Obe E. Johnson with respect to Proof of Claim
9 Nos. 177676, 177765, and 178772, and that response is
10 available on the docket at ECF no. 18197. Proof of Claim No.
11 177676 was filed on April 21st, 2020; Proof of Claim No.
12 177765 was filed on June 29th, 2020; and Proof of Claim No.
13 178772 was filed on October 30th, 2020.

14 In each instance, then, these proofs of claim were
15 filed nearly two years or more after the Commonwealth's bar
16 date. Each asserts liabilities associated with the loss of
17 Mr. Johnson's carpet cleaning business as a result of an
18 allegedly wrongful conviction. The response does not dispute
19 that the claims were not timely filed, and it does not provide
20 any explanation for the failure to timely file a proof of
21 claim. Rather, Mr. Johnson states that he is exempt or
22 excluded from PROMESA, and cites to an order from the Court
23 granting limited modification of the automatic stay in order
24 to allow a habeas corpus action filed by Mr. Johnson to move
25 forward. But the Order did not order or direct that

1 Mr. Johnson is excluded from PROMESA, and even if it did, the
2 Order did not relieve Mr. Johnson of the obligation to file a
3 timely proof of claim.

4 Mr. Johnson also appears to contend that he is not
5 subject to PROMESA because his claim purportedly arose prior
6 to its passage. However, PROMESA applies to all holders of
7 pre-petition claims, regardless of the date they accrued and
8 whether that date precedes the date of the passage of PROMESA.

9 (Sound played.)

10 MS. STAFFORD: Accordingly, because the response does
11 not dispute the claim was not timely filed, we would request
12 the Court disallow the claim.

13 THE COURT: Thank you, Ms. Stafford.

14 Mr. Johnson, would you like to speak now?

15 MR. JOHNSON: Good morning, Honorable.

16 THE COURT: Good morning.

17 MR. JOHNSON: Obe Johnson. The first thing I would
18 like to say is I want to be released from custody. I want to
19 be released from illegal custody.

20 Okay. The thing I filed, as soon as you -- 2005,
21 that's the time the obligation happened, and then by --

22 COURT REPORTER: I'm sorry, Your Honor. This is the
23 court reporter. If Mr. Johnson could please repeat his last
24 statement?

25 MR. JOHNSON: Okay. I'll repeat it all. I request

1 that the Judge release me from custody, because the custody is
2 illegal. That is the first thing that I request from the
3 Court. The second problem, the obligation occurred in 2005.

4 THE COURT: So, Mr. Johnson, I don't have the power
5 to release you from custody.

6 Oh, can anyone hear me? He's disappeared. Okay. So
7 we'll wait until we can see Mr. Johnson again. We are trying
8 to restore the contact with Mr. Johnson's facility, so
9 everyone please be patient.

10 COURTROOM DEPUTY: Your Honor, if I may, this is the
11 courtroom deputy in Puerto Rico. We haven't been able to
12 establish contact with the Guayama institution.

13 THE COURT: All right. So what we will do is go on
14 to the matter of the next speaker who is present in the
15 courtroom. Will you continue to try to establish contact, or
16 do they have a way to call you from the Guayama institution?

17 COURTROOM DEPUTY: They do have my contact
18 information, Your Honor, as well as the local counsel for the
19 Board, who's present in court.

20 THE COURT: Very well. Let's see if that contact can
21 be reestablished. If it is, we will go back and continue with
22 Mr. Johnson, and if it is not, we will adjourn his matter to
23 another hearing time, so that we will be able to complete the
24 hearing as to his claim.

25 So what we will do is go on to Agenda matter number

1 I.4, which is the 362nd Omnibus Objection to Claims, docket
2 entry no. 17927, and the response to that objection of Maira
3 Feliciano-Rosado.

4 Would Maira Feliciano-Rosado please come to the
5 podium in the courtroom?

6 Good morning, Ms. Feliciano-Rosado. Would you please
7 state your full name?

8 MS. FELICIANO-ROSADO: Maira Ivette Feliciano-Rosado.

9 THE COURT: Again, good morning. I will now ask
10 Ms. Stafford, the lawyer for the Oversight Board, to explain
11 the objection to your claim.

12 MS. STAFFORD: Thank you, Your Honor.

13 The 362nd Omnibus Objection, which, as Your Honor
14 noted, was filed at ECF no. 17927, seeks to reclassify proofs
15 of claim that incorrectly or improperly asserted that they are
16 either secured or entitled to administrative expense priority
17 or payment priority. The response for hearing this morning
18 was filed by Maira Feliciano-Rosado with respect to Proof of
19 Claim No. 10547. It's on the docket at ECF no. 18290.

20 This claim purports to assert liabilities associated
21 with a dispute between Ms. Feliciano-Rosado and two teachers'
22 unions, the Federacion de Maestros and the Asociacion de
23 Maestros de Puerto Rico, regarding the payment of monthly dues
24 to both organizations. It also purports to be both secured
25 and entitled to administrative expense status pursuant to 11

1 U.S.C. § 503(b)(9).

2 As explained --

3 THE COURT: You may go on. Mr. Johnson is back on,
4 but we will finish with hearing the matter of
5 Ms. Feliciano-Rosado. Then we will return to Mr. Johnson.

6 MS. STAFFORD: Perfect. Thank you, Your Honor.

7 As explained in the objection, only creditors who
8 sold goods to the debtors within 20 days of the commencement
9 of the Title III cases are entitled to administrative expense
10 priority pursuant to 11 U.S.C. § 503(b)(9). The response that
11 was filed does not assert that Ms. Feliciano-Rosado sold goods
12 to the Commonwealth within that statutory time frame. It also
13 does not provide any other basis that would entitle the claim
14 to secured status or administrative priority. Instead, it
15 provides additional information regarding the grounds on which
16 Ms. Feliciano-Rosado contends she is entitled to repayment of
17 monthly dues to teachers unions.

18 Accordingly, because the response does not dispute
19 that the liabilities associated with the claim are neither
20 entitled to secured status, nor to administrative expense
21 priority pursuant to 11 U.S.C. § 503(b)(9), the debtors
22 respectfully request the Court sustain the objection and
23 reclassify the claim, notwithstanding the response.

24 Notably, this objection would not affect the merits
25 of the Feliciano-Rosado claim's assertion of liabilities

1 arising from allegedly-owed reimbursements of monthly dues,
2 which would remain pending for future determination.

3 THE COURT: So, Ms. Stafford, you are asking for this
4 claim to be grouped with other general claims, rather than
5 paid ahead of other claims on the basis of what is legally
6 called administrative expense priority or secured claim
7 priority; is that correct?

8 MS. STAFFORD: That is correct, Your Honor.

9 THE COURT: You are not asking me to reject or
10 disqualify this claim altogether today; is that also correct?

11 MS. STAFFORD: That is also correct, Your Honor.

12 Thank you.

13 THE COURT: So, Ms. Feliciano-Rosado, I am not being
14 asked to decide today whether your claim should be paid. The
15 Oversight Board is asking me to determine that your claim does
16 not belong in a special category that gets a higher payment
17 timing priority than other claims against the debtors, and I
18 am also being asked to determine that the government has not
19 set aside special property or security specifically intended
20 to be used to repay your claim.

21 The Oversight Board asks me, the Court, to reclassify
22 your claim, so that if, ultimately, it is determined to be a
23 valid claim, it would be treated the same as other general
24 claims against the debtors. Do you understand that?

25 MS. FELICIANO-ROSADO: That is correct.

1 THE COURT: Do you object to your claim being treated
2 and considered alongside with other general unsecured claims
3 with no special priority?

4 MS. FELICIANO-ROSADO: I object, because my case is
5 atypical.

6 THE COURT: Would you explain why your case is
7 atypical?

8 MS. FELICIANO-ROSADO: Well, the claimant appears as
9 an individual creditor, and the holder of the claim, comprised
10 of Mrs. Feliciano-Rosado, to also include as a claimant and
11 give a voice to her only son, the minor, L.A.R.F., who is
12 today 17 years old, as being the main victim that was
13 converted into human goods. And pursuant to strict justice,
14 this case is not typical, given that it involves new forms of
15 selling consumption due to acts constituting a criminal
16 activity, organized crime activity, grossly violating the
17 Racketeering Influence and Corrupt Organization Act, Title 28,
18 section -- of 1962, among other state and federal laws, and
19 international laws.

20 THE COURT: Ms. Feliciano. Pardon me,
21 Ms. Feliciano-Rosado. I am just interrupting to explain that
22 the types of claims that do get payment priority under PROMESA
23 are very narrow, and they are strictly defined by the statute.
24 There is not a payment priority category for the type of claim
25 that you have asserted, even though, obviously, it is a very

1 | serious claim, so the purpose of the Oversight Board's
2 | objection today is to establish that when your claim is given
3 | its full consideration, it will be considered for payment
4 | along with the other claims against the Commonwealth, because
5 | there is not a special fund set aside for paying your claim
6 | already, and because it does not fall within the category of
7 | claims for certain sales of goods within a period of time. It
8 | is a different type of claim.

9 | Do you understand that?

10 | MS. FELICIANO-ROSADO: And the instant case is not
11 | unrelated to the objectives of the Puerto Rico Oversight,
12 | Management, and Economic Stability Act, and it involves a
13 | cause of action that terribly affects the economy of Puerto
14 | Rico and its social stability. And, therefore, by virtue of
15 | Section 205 of Title II, the responsibility of the Oversight
16 | Board, we ask that it intervenes on an urgent basis in this
17 | case given the power that it has to intervene in the effects
18 | of the laws and judicial orders of the territory, and the
19 | operations of the territorial government, because this
20 | involves a new form of child -- of human -- of trading humans,
21 | minors, by virtue of their child support, which has become an
22 | organized crime, because those payments are being sent -- the
23 | payments are being sent to unknown places.

24 | And the concerned agencies have retaliated against
25 | me, because I reported the judge who kidnapped the child since

1 December 14th, 2011, took the child as a hostage.

2 THE COURT: Ms. Feliciano-Rosado.

3 (Sound played.)

4 MS. FELICIANO-ROSADO: And everyone has forgotten how
5 broad the law acknowledges that the support of children is
6 beyond the trafficking of humans.

7 THE COURT: Again, this --

8 MS. FELICIANO-ROSADO: (Remarks in Spanish.)

9 THE COURT: Ms. Feliciano-Rosado, this hearing today
10 is not one in which I can address the claim that you are
11 making. I am only addressing the timing of consideration of
12 that claim. Is there anything further that you can say, that
13 you wish to say about the qualification under PROMESA of your
14 claim to be considered ahead of other claims?

15 MS. FELICIANO-ROSADO: Yes. The payments that are
16 being sent outside of the territory of Puerto Rico to an
17 unknown location are withdrawn from the retirement of yours
18 truly, and that child support is being used to support
19 organized crime. And they are keeping my child under -- or in
20 forced disappearance. To this day, I do not know where my
21 child is, and the monies from my retirement is being used.

22 I am a member of the middle working class, the lower
23 middle class of this country. I worked for 11 years as a
24 teacher and as a counselor for the Department of Education of
25 our country at the vocational school Pedro Perea Fajardo in

1 Mayaguez.

2 (Sound played.)

3 MS. FELICIANO-ROSADO: And to this day, the
4 retaliation -- I was retaliated against for reporting a judge,
5 who took my son hostage, and ever since I went to the Puerto
6 Rico -- the Administrative Office of the Courts of Puerto
7 Rico, I have been put in prison twice, despite being innocent,
8 just to silence me. And I do not know to this day where my
9 son is, and I ask for help.

10 THE COURT: Ms. Feliciano-Rosado.

11 MS. FELICIANO-ROSADO: (Remarks in Spanish.)

12 THE COURT: Ms. Feliciano-Rosado, your time to speak
13 on this claim has concluded, and so I am going to ask that
14 Ms. Stafford respond. Then I will make my ruling.

15 MS. STAFFORD: Thank you, Your Honor.

16 Just briefly, as Your Honor noted earlier, the
17 provisions under PROMESA that allow for early payment of
18 claims are very limited, and only allow early payment when
19 specific statutory requirements are met, or when specific
20 money is set aside for the payment of those claims. And
21 although I'm -- although we are mindful of the concerns that
22 Ms. Feliciano-Rosado raises, they don't provide a basis for
23 either an assertion of secured status or entitlement to
24 specific payment priority. And for those reasons, Your Honor,
25 we would continue to request that the Court sustain the

1 objection, and reclassify the claim. Thank you.

2 THE COURT: Thank you.

3 I have reviewed the written submissions, and listened
4 very carefully to everything that has been said today. I am
5 terribly sorry to hear what Ms. Feliciano-Rosado has been
6 going through, and her concerns about her son, and the custody
7 matters, and the treatment of the child-custody payments.
8 Those are not matters that are properly before the Court
9 today. What is before the Court today is the question of
10 whether the claim that Ms. Feliciano-Rosado has filed in these
11 Title III proceedings is entitled to priority payment
12 classification, either because it concerns a sale of goods to
13 the Commonwealth within a certain period of time, or because
14 it is backed by security, money, or property set aside to pay
15 that claim specially. Neither of those necessary facts is
16 established with respect to this claim. Therefore, the Court
17 sustains the 362nd Omnibus Objection as to claim no. 10547
18 filed by Maira I. Feliciano-Rosado. That claim is
19 reclassified as a general unsecured claim, and it will be
20 considered and evaluated for payment and validity along with
21 other general unsecured claims.

22 Thank you, Ms. Feliciano-Rosado, for coming to court
23 today. Your claim is reclassified.

24 MS. FELICIANO-ROSADO: Thank you very much.

25 THE COURT: That concludes the hearing on your claim.

1 Take care. Thank you.

2 We will now return to the hearing of Mr. Obe
3 Johnson's claim, which is Agenda Item number I.1, and I'm glad
4 that the connection has been restored.

5 Mr. Johnson, before the connection was cut off, you
6 had said that you want to be released from custody, because
7 you believe that your custody is illegal.

8 MR. JOHNSON: (Nodding head up and down.)

9 THE COURT: You also said that you believe that the
10 claim that you have filed is not subject to PROMESA, because
11 the events occurred before PROMESA was ever enacted. So what
12 I want to make clear to you is that I am not a judge who has
13 power to release you from custody. The proceedings over which
14 I preside have to do with the debt obligations of Puerto Rico
15 and its instrumentalities, and today's proceeding specifically
16 has to do with such claims, monetary claims that have been
17 filed against the Commonwealth are entitled to be considered
18 for payment, because they were filed within the time limits
19 that are set.

20 PROMESA does cover claims for money that arise from
21 events prior to the passage of PROMESA and prior to the
22 beginning of these Title III proceedings, and so the claim --
23 to the extent you are seeking to recover money from the
24 Commonwealth because of things that happened before PROMESA
25 was enacted, those claims still have to be evaluated under

1 PROMESA, and they are subject to PROMESA. I wanted to make
2 clear those two matters before you complete your remarks, so
3 you may now continue your remarks.

4 MR. JOHNSON: According to -- you said you couldn't
5 release me, habeas corpus, because I have --

6 THE COURT: Mr. Johnson, would you speak even a
7 little louder and much slower, so that we can make sure that
8 we understand everything that you're saying? The volume is a
9 little low.

10 MR. JOHNSON: According to what I wrote, I wrote -- I
11 asked to be released. And the government sued me for all the
12 time I've been in jail, because I couldn't provide -- they
13 said it's not something that --

14 COURT REPORTER: I'm sorry, Your Honor. This is the
15 court reporter. If Mr. Johnson could repeat his last
16 sentence?

17 MR. JOHNSON: I said equitable relief, that the claim
18 I made -- equitable relief for money, and for being in jail,
19 they put all the claim in one, and then, according to what the
20 Judge said, she said she couldn't release me. Who's going to
21 release me? And it said equitable relief. And then,
22 according to equitable relief, according to habeas corpus, the
23 federal can release me, and the federal refused to release me,
24 and then they went and prosecuted me. So who's going to
25 release me? The federal refused to release me. Who's going

1 to release me?

2 THE COURT: Mr. Johnson, you have brought a habeas
3 corpus proceeding, and you have been -- you have proceedings
4 in the Federal Courts that have jurisdiction over your claims
5 regarding your imprisonment. I don't have jurisdiction over
6 those claims, and I also can't give you legal advice.

7 MR. JOHNSON: Okay. But what --

8 THE COURT: Now as to -- yes, Mr. Johnson?

9 MR. JOHNSON: Yes. What about the loss of my
10 company? I lost -- I lost my company. Who's going to
11 compensate me for that?

12 THE COURT: So your claim for compensation for loss
13 of your company is a claim that is covered by PROMESA. The
14 problem that the Oversight Board has raised with your claim
15 here is that you were required to have filed this claim for
16 payment in these proceedings under PROMESA by a date in 2018,
17 and your claims were not filed until 2020. When Ms. Stafford
18 spoke, she said that you have not offered any reason why you
19 did not file the claims in time, and because of that, she is
20 asking me, the Oversight Board is asking me to strike those
21 claims, because they were not filed in the time limits.

22 Is there anything that you can tell us today about
23 what kept you from filing your claim within the right time
24 period, that is, by 2018?

25 MR. JOHNSON: Yeah. Because -- why I didn't file the

1 claim on time? I said the date -- I mean the incident
2 occurred in 2005, and then I was prosecuted. When I told them
3 -- it was a lawsuit. I filed a lawsuit in 2018 -- I mean
4 2017. I've got the paperwork here. I filed a lawsuit in the
5 state court, and I filed a lawsuit in the Federal Court. They
6 prosecuted me. So when I went to the prosecution, there was
7 no way the court could decide -- I went there for a
8 proceeding, and then if the incident happened before -- Carmen
9 Santini assisted and told me all of PROMESA, except I didn't
10 file my paper -- I mean on time. And then the case, it was in
11 court. The case was in this court, and in the Federal Court.
12 And then they said --

13 THE COURT: So your criminal case and your --

14 MR. JOHNSON: The loss of my company.

15 THE COURT: -- case for your damages were in Federal
16 Court before PROMESA. You're telling me that?

17 MR. JOHNSON: Yeah. Yeah. I have the contract here,
18 Honorable.

19 THE COURT: So under PROMESA, under the notices that
20 were sent, you needed to file a separate claim in the PROMESA
21 proceeding by a date in 2018. You ultimately filed that claim
22 in 2020. Do you have a reason for waiting until 2020? Is
23 there something that kept you from filing the required
24 separate claim in this Title III case under PROMESA until
25 2020?

1 MR. JOHNSON: Yeah. Because 2017 -- I mean, I should
2 have done it, but the proceeding was all -- I thought the
3 Federal Government was going to resolve the problem, but they
4 didn't resolve the problem. And they said, no, we cannot
5 accept the lawsuit. The lawsuit was dismissed. I disputed
6 the lawsuit to Boston, and Boston sent the case back. And
7 Boston told them to make a decision. Then they said I
8 couldn't file -- I mean, I could not, I mean, send the case
9 right away to PROMESA. I'm waiting for a decision from the
10 Federal Court -- I mean from Boston, and Boston delayed the
11 decision. And PROMESA came into existence 2017, 2018 -- I
12 mean, that's my point, because I don't file the law -- I mean,
13 I don't file the case -- I got the paperwork from 2017. I got
14 my case from -- I've got the paperwork. I have it here.

15 Let me see something. One second. 2017. The case
16 in Federal Court -- I mean 2015. I filed it assuming it was
17 this court, and they refused. Then I went back to the -- I
18 went to the Federal Court, and I filed the lawsuit. And the
19 Federal Government excused the lawsuit in Boston, and Boston
20 started looking for the -- the decision. I couldn't go right
21 away to PROMESA. If I go to PROMESA, I've got to -- at that
22 time, PROMESA hadn't come to existing. So all the time I was
23 waiting for PROMESA to existing. That's the cause of the
24 delay.

25 THE COURT: Thank you, Mr. Johnson. I'm now going to

1 ask Ms. Stafford to respond.

2 MS. STAFFORD: Thank you, Your Honor.

3 I didn't hear anything in Mr. Johnson's statements
4 that would indicate he was unable to or unaware of his ability
5 to file the proof of claim by 2018. I understand that he is
6 asserting liabilities arising from actions that took place in
7 2005, and lawsuits that may have been filed in 2015 and 2017.
8 However, the existence of the -- and the existence of those
9 lawsuits would indicate his ability to file a proof of claim,
10 or his knowledge that there was liability that he intended to
11 assert as early as 2017. And that could have been filed
12 timely by 2018, and so I still don't -- haven't heard any
13 explanation for Mr. Johnson's delay until 2020 in the filing
14 of these proofs of claim.

15 THE COURT: Ms. Stafford, am I correct in
16 understanding that a claim within the meaning of PROMESA is
17 not only something that has been finally determined to be
18 payable by another court, but also something that might become
19 payable if other events, such as an affirmance or a reversal
20 of a decision on appeal, went in favor of the claimant, but
21 the time limit required a person to say, I believe that,
22 ultimately, I should be paid, even if everything hasn't been
23 determined in my favor yet? That would be the 2018 deadline;
24 is that correct?

25 MS. STAFFORD: That is correct, Your Honor. By

1 2018 -- by the 2018 deadline, to the extent Mr. Johnson
2 believes he was potentially entitled to payment as a result of
3 one of these lawsuits, he was required to file a proof of
4 claim, as we understand it, the Order, Your Honor.

5 THE COURT: Thank you.

6 I am now ready to make my ruling. I read the papers
7 that were filed beforehand, and I have listened very carefully
8 to everything that has been said here today. I understand
9 that Mr. Johnson has ongoing legal proceedings as to his
10 habeas corpus petition and that he pursued very vigorously his
11 other claims in his federal cases, but my decision today has
12 to do with the timeliness of the claims that he filed to be
13 compensated in these PROMESA Title III proceedings, which do
14 apply to his monetary claims for damages and relief arising
15 from events preceding PROMESA.

16 I am sustaining the -- I'm sorry. Mr. Johnson, did
17 you -- no. I thought I heard his voice.

18 My decision is that the 374th Omnibus Objection is
19 sustained as to claim nos. 177676, 177765, and 178772 filed by
20 Obe Johnson. Those claims are disallowed in their entirety,
21 because they were filed well after the bar date, some two
22 years after the 2018 bar date.

23 Mr. Johnson's explanation that he did not file the
24 claims, because the Court in Boston -- by which I understand
25 him to mean the First Circuit Court of Appeals -- had not

1 rendered its rulings yet, is not sufficient to justify the
2 late filing of his proofs of claim, because PROMESA required
3 him to file proofs of claim even if he was simply in the
4 position at that time that he believed that he should be paid
5 that money. That was required to be done by 2018, and it was
6 not. Therefore, these three proofs of claim are disallowed,
7 and his justification is insufficient.

8 Now I did hear another voice. Who is that speaking?
9 Mr. Johnson, did you -- all right. That was not Mr. Johnson.

10 Thank you very much, Mr. Johnson. Oh, yes. You have
11 your hand up now.

12 MR. JOHNSON: So why are you disallowing the claim?
13 Why you disallowed the claim? Because if Boston delayed the
14 proceeding, it meant I'm waiting for Boston. I couldn't just
15 go to PROMESA right away. And the Federal Court was delaying.
16 So after 20 -- I mean 2018, at that time, PROMESA didn't even
17 existed. At that time, Boston still had the case, and I
18 couldn't go to PROMESA right away. If I go to PROMESA, Boston
19 having the case, it's going to -- and Boston had the pleading
20 at that time.

21 THE COURT: Mr. --

22 MR. JOHNSON: Yes, Honorable?

23 THE COURT: Mr. Johnson, you could have gone to
24 PROMESA right away, and PROMESA required you to go to PROMESA
25 and file the claims, even though the proceedings were still

1 pending in Boston. That was the law. You were required under
2 PROMESA to say that you have these claims, and file your proof
3 of claim by 2018, even though the Boston court had not yet
4 rendered its decision. That is the law that I am required to
5 apply here, and that is why your claims are disallowed. That
6 is my ruling.

7 This hearing is concluded. Thank you, Mr. Johnson.

8 MR. JOHNSON: Okay. Honorable --

9 THE COURT: One more remark, Mr. Johnson. Yes.

10 MR. JOHNSON: The hearing's concluded, but -- okay.
11 I mean, you disallowed my claim. Okay. Who's going to pay me
12 for the losses of my company, my loss? How can I get payment
13 if the claim is disallowed? You see? And then my loss, how
14 am I going to get payment? Certainly -- I'm in jail, and they
15 continue putting me in jail illegal. And I'm in jail --

16 COURT REPORTER: I'm sorry, Your Honor. This is the
17 court reporter. If Mr. Johnson could please slow down just a
18 little bit and repeat his last sentence?

19 MR. JOHNSON: Yeah. Okay. I'm saying if my claim is
20 disallowed -- you said I filed the claim late. Okay. Boston
21 hadn't made the decision if -- when I go to PROMESA -- at that
22 time, PROMESA hadn't come to existing, so how can you go on a
23 claim that I say -- a claim of lawsuit, as soon as I go to the
24 PROMESA court -- at that time, Boston hadn't made its ruling.
25 And, first of all, I'm in jail illegal, so that means I've

1 | been in jail illegal, and you stick -- I'm in jail illegal,
2 | and then you say -- I mean, how are you going to pay me off
3 | when you've got me in jail illegal? I don't know. I mean,
4 | they've got me in jail illegal. I lost my company and
5 | everything. Who's going to pay me off?

6 | THE COURT: Mr. Johnson, I have made my ruling. Your
7 | PROMESA claim was filed too late, and your claims regarding
8 | your current custody and the illegality of your prosecution
9 | are ones that you need to pursue in your existing proceedings.
10 | I have lifted the automatic stay in a different order to
11 | permit you to proceed with your habeas corpus petition.

12 | MR. JOHNSON: Okay.

13 | THE COURT: So I thank you for appearing in court
14 | today. I am sorry that the law requires me to disallow your
15 | claims because they are late, but that is the law; and
16 | everyone has to be treated according to the requirements of
17 | the law, which required you to file a claim even if the First
18 | Circuit had not yet ruled.

19 | Thank you, Mr. Johnson. That is the conclusion of
20 | the hearing. Take care.

21 | We will now address the next Agenda item of a
22 | claimant who is in the courtroom, and that is Agenda Item
23 | number II.5 -- one moment -- the 337th Omnibus Objection,
24 | which is docket entry no. 17081, and, specifically, the
25 | response of Maria R. Carrion-Vega to that objection.

1 Would Ms. Maria R. Carrion-Vega please come to the
2 podium?

3 MS. CARRION-VEGA: Good morning.

4 THE COURT: Good morning. Would you please state
5 your full name?

6 MS. CARRION-VEGA: My name is Maria del Rosario
7 Carrion-Vega.

8 THE COURT: Thank you.

9 I will now ask the attorney for the Oversight Board
10 to explain the objection to your claim.

11 MS. STAFFORD: Thank you, Your Honor.

12 And I would just note for the record that there is
13 also the 362nd Objection with respect to this claim, but I
14 think it will be easiest to address that separately if that
15 works for Your Honor.

16 THE COURT: Yes. Thank you.

17 MS. STAFFORD: Thank you, Your Honor.

18 So, as Your Honor noted, the 337th Omnibus Objection
19 was filed at ECF no. 17081. This objection seeks to
20 reclassify claims which purport to be associated with either
21 salaries owed by Commonwealth agencies, or other entities
22 within the Commonwealth Government, or pensions purportedly
23 owed to public employees. Both types of liabilities would
24 lie, if at all, with the Commonwealth, and not with ERS. And
25 so the objection seeks to reclassify those claims to be

1 asserted against the Commonwealth, instead of ERS.

2 The response filed and scheduled for hearing this
3 morning by Ms. Carrion-Vega is with respect to Proof of Claim
4 No. 3258, and, actually, there were two responses which were
5 received directly by the debtors and filed on the docket at
6 ECF nos. 20001-1, -2, -3, and -4. The proof of claim asserts
7 liabilities associated with allegedly accrued but unpaid wages
8 arising from Ms. Carrion-Vega's employment with the
9 Municipality of Bayamon's court system, as well as associated
10 pension. Liabilities associated with unpaid wages purportedly
11 owed by the Municipality of Bayamon would not lie with ERS,
12 however, as the Municipality of Bayamon is not a part of ERS.

13 Further, as explained in the objection, liabilities
14 associated with pension-related claims are properly asserted
15 against the Commonwealth, and not ERS, because the
16 Commonwealth has assumed ERS's obligation to make
17 pension-related payments. The responses do not dispute that
18 the liabilities asserted by the claim are properly asserted,
19 if at all, against the Commonwealth, and not ERS. Rather,
20 they reiterate Ms. Carrion-Vega's request that certain pension
21 benefits should be paid.

22 Because the responses do not dispute that the
23 liabilities asserted are properly asserted before the
24 Commonwealth, and not ERS, the debtors would request the Court
25 sustain the objection and reclassify the claim to be asserted

1 against the Commonwealth, notwithstanding the responses.

2 Notably, Ms. Carrion-Vega will not be prejudiced by
3 this reclassification, and she will retain a claim against the
4 Commonwealth.

5 Thank you, Your Honor.

6 THE COURT: Thank you.

7 So you are not asking that her claim be rejected.
8 You are asking that her claim be reclassified or recognized as
9 one against the Commonwealth, which has taken the
10 responsibility for paying valid retirement and pension benefit
11 claims, and not as a claim against ERS; is that correct?

12 MS. STAFFORD: That is correct, Your Honor. Thank
13 you.

14 THE COURT: Thank you.

15 Good morning, Ms. Carrion-Vega. Do you understand
16 that this is seeking to reclassify your claim, so that it will
17 be considered against the Commonwealth, rather than a claim
18 considered against ERS?

19 MS. CARRION-VEGA: No, Your Honor. No, Your Honor.

20 THE COURT: So the -- I'm sorry. Please go on.

21 MS. CARRION-VEGA: Your Honor, October 1st, 1983, our
22 Honorable Governor Romero Barcelo declared a pay increase for
23 all public employees, including those of the Administrative --
24 the Administrative Office of the Courts. And we have been
25 waiting for such increase, and did not receive it. Therefore,

1 we filed the corresponding complaint before the Court of
2 Puerto Rico for declaratory judgment and in order to be paid
3 this pay increase. And judgment was entered on October 12th,
4 2016, and served on October 14th, 2016. And this is an
5 amended judgment on -- nunc pro tunc, and it was never
6 appealed, it was not revised, it was never reconsidered.
7 Therefore, it is a final and enforceable judgment. And the
8 judgment was never appealed. And, therefore, we are -- I am
9 here to request that the payments be made pursuant to the
10 judgment, as the judgment is self-explanatory, and also, on
11 the debt pending payment, any applicable late fees and
12 charges. And that is what I am here for, Your Honor, to move
13 for this remedy very -- or relief very respectfully.

14 THE COURT: Thank you, Ms. Carrion-Vega. I have a
15 question for you. Is this judgment a judgment for pension
16 payments that you believe should have been higher, because of
17 the Romerazo law?

18 MS. CARRION-VEGA: This is a judgment where we were
19 granted a pay increase, which was declared by Romero-Barcelo
20 for all public employees, teachers, police officers,
21 administrative personnel of the courts. And there are 96
22 plaintiffs in our claim, and when the pertinent payment was
23 going to be made, the Oversight Board put a stay on the
24 payment. And, therefore, I have come here to seek justice in
25 our case, and for this judgment to be validated, and the

1 payment made.

2 THE COURT: Thank you.

3 I now have a question for Ms. Stafford.

4 Ms. Stafford, are you familiar with this judgment?

5 MS. STAFFORD: I am not familiar with the judgment,
6 Your Honor, and I am not certain whether there's a case number
7 or a judgment attached to Ms. Carrion-Vega's proof of claim.
8 To the extent there is information that she is able to provide
9 to us regarding the judgment, we would certainly appreciate
10 it, and my colleague within the courtroom in Puerto Rico would
11 be glad to receive it I'm sure.

12 THE COURT: So -- I'm sorry, Ms. Terry. You can
13 finish.

14 So now I will speak. Ms. Carrion-Vega, apparently
15 the Oversight Board does not have a copy of the judgment that
16 you are referring to, and so to make certain that the full
17 basis of your claim is understood, a lawyer for the Oversight
18 Board is there in the courtroom and will arrange to make a
19 copy of the documents that you've brought to the courtroom
20 today. We will adjourn this hearing, so that your claim can
21 be further considered, and the Oversight Board can determine
22 whether the types of objections that have been brought are the
23 appropriate ones for your claim. You will be sent further
24 information before anything further is done with respect to
25 your claim.

1 Ms. Stafford, is that an acceptable way of proceeding
2 here?

3 MS. STAFFORD: Yes, Your Honor.

4 THE COURT: So we will adjourn the hearing of Agenda
5 Item 5, which covers the 337th Objection and the 362nd
6 Objection, as to Ms. Carrion-Vega, and you will be providing
7 further information to Ms. Carrion-Vega and the Court as to
8 whether those objections will be pursued. Is that acceptable
9 to you?

10 MS. STAFFORD: Certainly, Your Honor.

11 THE COURT: Thank you.

12 Ms. Carrion-Vega, do you understand that we are not
13 resolving these objections today, and the additional
14 information that you have brought to court today will be
15 considered further?

16 MS. CARRION-VEGA: Yes. I do understand what you
17 have stated, Your Honor, and I hope that some decision will at
18 least be made to that effect.

19 THE COURT: Your claim is still pending, and it will
20 be considered. I cannot make a decision today directing
21 payment of the claim, and that was not the purpose of the
22 objection today. The objection today was for the purpose of
23 deciding the entity that should be responsible for your claim,
24 and also the priority of the claim, whether it's entitled to
25 be considered ahead of other claims. Both of those matters

1 will be evaluated further by the Oversight Board, which will
2 inform you and the Court as to whether those objections are
3 continued.

4 Thank you for coming to court today.

5 MS. CARRION-VEGA: Your Honor, may I say something?

6 THE COURT: Yes, you may.

7 MS. CARRION-VEGA: When a decision is made in
8 relation to the case I have brought before the Court, I ask
9 whether you could serve me with a copy of the resolution
10 entered in this regard at my address.

11 THE COURT: Two things will happen. One is that it
12 will be determined whether there is a further hearing or a
13 further objection.

14 Ms. Stafford, notice will be sent to Ms. Carrion-Vega
15 regarding that; is that correct?

16 MS. STAFFORD: That is correct, Your Honor.

17 THE COURT: Then in terms of whether the payment of
18 the claim is going to be made, or whether there will be, you
19 know, some effort to negotiate it, that is something of which
20 you would also send notice to Ms. Carrion-Vega at her house?

21 MS. STAFFORD: That is correct, Your Honor.

22 THE COURT: If you seek to have the claim rejected
23 entirely by the Court, that is something that would be noticed
24 as a motion in the court, and that notice would also be sent
25 to Ms. Carrion-Vega at her house; is that correct?

1 MS. STAFFORD: That is correct, Your Honor. To the
2 extent we would proceed to disallow this claim, we would file
3 a further objection, and it would be mailed to Ms.
4 Carrion-Vega.

5 THE COURT: Thank you.

6 So, Ms. Carrion-Vega, you will receive notice by mail
7 at your house of the further proceedings on your claim.

8 MS. CARRION-VEGA: May I say something?

9 THE COURT: Yes.

10 MS. CARRION-VEGA: Your Honor, may I say something?

11 THE COURT: Yes, you may.

12 MS. CARRION-VEGA: Your Honor, with regard to any
13 notice of dismissal of my complaint, that judgment became
14 final and enforceable. It was never -- reconsideration was
15 never sought. There was never any revision of the judgment.
16 And six years have passed since it was entered, and,
17 therefore, it cannot be reviewed at this point.

18 THE COURT: Well, I am not saying that there will
19 necessarily be a rejection of your claim. I am saying that
20 I'm not evaluating that today, and when that is decided, the
21 disposition of your claim, you will receive notice either of a
22 hearing, or, if your claim is accepted in full, you would
23 receive notice of that.

24 Would you confirm, Ms. Stafford, that that notice
25 will be provided to Ms. Carrion-Vega?

1 MS. STAFFORD: That is correct, Your Honor.

2 THE COURT: Thank you.

3 Thank you for coming to court, Ms. Carrion-Vega. The
4 hearing on your claim for today is concluded. Please make
5 sure to give your documentation to the lawyer, who will
6 identify themselves to you, in the courtroom.

7 MS. CARRION-VEGA: Thank you, Your Honor.

8 THE COURT: Thank you.

9 The next Agenda item for which a person is present in
10 the courtroom is Agenda Item number III.7, which is the 374th
11 Omnibus Objection, and the response of Jack Mercado-De Jesus
12 to that objection.

13 Would Jack Mercado-De Jesus please come to the
14 podium?

15 MR. MERCADO-DE JESUS: Buenos dias.

16 THE COURT: Good morning. Would you please state
17 your full name for the record?

18 MR. MERCADO-DE JESUS: Okay. My name is Jack
19 Mercado-De Jesus.

20 THE COURT: Thank you. I'm first going to ask the
21 attorney for the Oversight Board to explain the objection to
22 your claim, and then I will ask you to speak.

23 MS. STAFFORD: Thank you, Your Honor.

24 THE COURT: Ms. Stafford, would you please speak now?

25 MS. STAFFORD: Thank you, Your Honor.

1 The objection scheduled for hearing this morning is
2 the 374th Omnibus Objection, which was filed at ECF no. 17923.
3 This objection seeks to disallow proofs of claim which were
4 filed after the bar dates established by this Court's bar date
5 orders, which, for the Commonwealth, COFINA, HTA, ERS, and
6 PREPA is June 29th, 2018; and for PBA, that bar date is July
7 29th, 2020.

8 Pursuant to the terms of the Bar Date Order, if a
9 claimant failed to file a proof of claim that they were
10 required to file on or before the applicable bar date, that
11 claimant would be forever barred, estopped, and enjoined from
12 asserting such claim against the debtors, and the debtors
13 would be forever discharged from indebtedness and liability
14 with respect to such claim.

15 The response at issue this morning was filed by Jack
16 Mercado-De Jesus with respect to Proof of Claim No. 173757,
17 and it's available on the docket at ECF no. 18184. This proof
18 of claim was filed on April 23rd, 2020, and it asserts
19 liabilities associated with a Nota de Ahorro, or savings note,
20 dated October 7th, 2009.

21 The response does not address the debtors' contention
22 that the claim was filed after the applicable bar date.
23 Instead, it says it disputes the objection, because all
24 bondholders should be paid.

25 As set forth in the debtors' reply, the bar date

1 orders did not require parties to file proofs of claim with
2 respect to bonds, or other similar instruments, provided their
3 claim is limited to the repayment of principal, interest, and
4 other amounts arising from applicable trust agreements or bond
5 documents. To the extent the agreement seeks to assert a
6 claim for amounts aside from repayment of principal and
7 interest, such as a claim for investment losses, they were
8 required to file a proof of claim on or before the applicable
9 bar date.

10 Accordingly, to the extent Mr. Mercado-De Jesus seeks
11 to assert amounts beyond principal and interest, those claims
12 would be late-filed, and the debtors would ask the Court to
13 disallow those claims. However, to the extent Mr. Mercado-De
14 Jesus seeks solely repayment of principal and interest on Mr.
15 Mercado-De Jesus's savings notes, the debtors do not seek to
16 disallow that aspect of the proof of claim. Accordingly,
17 because the response does not dispute that the claim was not
18 timely filed, and does not provide an explanation for the
19 failure to timely file a proof of claim, the debtors would
20 request that the Court sustain the objection and disallow the
21 claim, solely to the extent it seeks to assert amounts beyond
22 principal and interest on the savings note.

23 Thank you, Your Honor.

24 THE COURT: Thank you. Ms. Stafford, I just want to
25 ask you a couple of questions before I hear from

1 Mr. Mercado-De Jesus. Ms. Stafford, is there anything in the
2 proof of claim that appears to the Oversight Board to be
3 seeking more than the principal, the amount that was used to
4 pay the note, plus interest on the note?

5 MS. STAFFORD: We don't believe there's anything that
6 clearly indicates that interest in asserting amounts aside
7 from principal and interest, but to the extent it does, we
8 just wanted to make sure that that claim was resolved.

9 THE COURT: So to the extent that Mr. Mercado-De
10 Jesus is saying "I have an 800 dollar note on which I am
11 entitled to interest, and I want to be paid on that note," you
12 are not objecting to that part of the claim?

13 MS. STAFFORD: That is correct.

14 THE COURT: You are only objecting in case he is
15 asking for something else, and it's not clear to you whether
16 he is asking for anything else?

17 MS. STAFFORD: That is correct.

18 THE COURT: Is that correct?

19 MS. STAFFORD: That is correct.

20 THE COURT: So, Mr. Mercado-De Jesus, would you now
21 explain whether you are seeking anything more than payment on
22 your note?

23 MR. MERCADO-DE JESUS: No. I am only here to claim
24 the savings note, which expired on October 7, 2014; and the
25 interest thereon as of October 7, 2014; and the principal of

1 800 dollars, yes, because this note had a condition which
2 established that, after October 7, 2014, interest would not be
3 paid thereon.

4 THE COURT: So you are seeking interest after 2014,
5 as well as the interest that was provided for in the note; is
6 that correct?

7 MR. MERCADO-DE JESUS: Interest only up to October 7,
8 2014. I have no right to payment of interest past that date.

9 THE COURT: Thank you.

10 Ms. Stafford, any further comment?

11 MS. STAFFORD: I have no further comment, Your Honor.
12 Thank you.

13 THE COURT: Thank you. So --

14 MR. MERCADO-DE JESUS: I'd like to say something
15 else, because I have two cases.

16 THE COURT: The objection is to the claim no. 172757.
17 Do you have another -- a different claim?

18 MR. MERCADO-DE JESUS: Yes, because I am a retired
19 employee of the -- of PRASA, the Puerto Rico Aqueduct and
20 Sewer Authority. And I am worried, because of the agreement
21 that was reached and that the teachers have rejected, because
22 I don't know what's going to happen with the reserve that was
23 established by the Oversight Board, which they controlled and
24 were the ones that could withdraw money from, so that the
25 government could not touch the reserve. And that was to be

1 used to pay past, present, and future retirees.

2 THE COURT: That is not a matter that is on for
3 hearing today, Mr. Mercado-De Jesus, and so I cannot tell you
4 anything about that today. I am not going to ask the
5 Oversight Board's attorney to speak to that matter today.

6 I am now going to rule on the objection, and your
7 response to the objection, with respect to the claim --

8 Ms. Stafford, would you please recite the accurate
9 claim number? I have two different numbers written here, so I
10 want to make sure I'm accurate.

11 MS. STAFFORD: I believe it is Proof of Claim No.
12 173757.

13 THE COURT: Thank you.

14 As to Proof of Claim No. 173757 of Jack Mercado-De
15 Jesus, that claim is disallowed as late-filed solely to the
16 extent it might be read to assert any claim other than for the
17 principal, and interest, and amounts payable under the Nota de
18 Ahorro identified by the claimant in the proof of claim. The
19 objection is overruled, and the claim stands to the extent it
20 seeks -- to the extent that the claim seeks payment of amounts
21 that are properly payable under the note. The debtors concede
22 that the Bar Order deadline does not apply to a claim for
23 payment of amounts payable under the note. So that is my
24 ruling as to claim no. 173757.

25 Thank you for coming to court today, Mr. Mercado-De

1 Jesus.

2 MR. MERCADO-DE JESUS: I'd like to clarify something
3 else, because there is an error in the document that I
4 received from you all. This is a document that I received on
5 February 9th of the current year, at 3:30 PM, and I don't know
6 what information I need to tell the Court, so that -- to
7 inform the Court what I am referring to, because my case
8 number is here on this document, which is a legal document
9 that I received. Here at the top is the heading where the
10 case number is indicated, and the date, and the number of
11 pages.

12 THE COURT: Mr. Mercado-De Jesus, there is a lawyer
13 in the courtroom from the Oversight Board, and so that lawyer
14 will identify themselves. You can show that document to the
15 lawyer, and ask the questions of the lawyer in the courtroom.

16 MR. MERCADO-DE JESUS: Okay. Very well.

17 THE COURT: Thank you. Have a good day,
18 Mr. Mercado-De Jesus.

19 MR. MERCADO-DE JESUS: Okay. Thank you. Very well.

20 THE COURT: The next Agenda item for which an
21 individual is present to speak in the courtroom is Agenda Item
22 number III.13, which is the 374th Omnibus Objection, and the
23 response of Maria Vianey Rosario-Cuevas.

24 Would Ms. Rosario-Cuevas please come to the podium?

25 Good morning. Would you please state your full name

1 for the record, please?

2 MS. ROSARIO-CUEVAS: Yes. A very good morning to the
3 both of you. My name is Maria Vianey Rosario-Cuevas, and I
4 work for the Public Buildings Authority.

5 THE COURT: Thank you. I will now ask Ms. Stafford,
6 who represents the Oversight Board, to explain the objection
7 to your proof of claim.

8 MS. ROSARIO-CUEVAS: Okay.

9 MS. STAFFORD: Thank you, Your Honor.

10 The objection scheduled for hearing this morning is
11 the 374th Omnibus Objection, which seeks to disallow proofs of
12 claim filed after the bar dates established by this Court's
13 bar date orders, which for the Commonwealth, COFINA, HTA, ERS,
14 and PREPA would be June 29th, 2018, and for PBA, would be July
15 29th of 2020.

16 Pursuant to the terms of the Bar Date Order, if a
17 claimant failed to file a claim on or before the applicable
18 bar date, that claimant would be forever barred, estopped, and
19 enjoined from asserting such claim against the debtors, and
20 the debtors would be discharged from indebtedness and
21 liability with respect to such claim.

22 The response scheduled for hearing this morning is
23 with respect to Proof of Claim No. 173790, which was mailed to
24 the Oversight Board and filed on the docket at ECF no.
25 19996-1, with a translation available at 19996-2. The claim

1 asserts liabilities arising from allegedly accrued but unpaid
2 wage increases.

3 The response consists of a copy of a notice
4 accompanying the objection, and a letter stating that the
5 claim was timely filed, along with a certified mail receipt.
6 The receipt demonstrates that the proof of claim was mailed on
7 April 17th, 2020, well after the Commonwealth's bar date. The
8 response does not explain why Ms. Rosario-Cuevas was unable to
9 file a timely proof of claim. Accordingly, because
10 Ms. Rosario-Cuevas does not dispute that the claim was not
11 timely filed, and does not provide an explanation for the
12 failure to timely file a proof of claim, we would request the
13 Court sustain the objection and disallow the claim.

14 Thank you, Your Honor.

15 THE COURT: Thank you.

16 Ms. Stafford, it appears from Ms. Rosario-Cuevas'
17 proof of claim and her response that her claim is filed in
18 connection with a claim against the Public Buildings
19 Authority. She cites a lawsuit against the Public Buildings
20 Authority, and refers to the Public Buildings Authority.

21 The proof of claim bar date for the Public Buildings
22 Authority was in July, I believe, of 2020, and this proof of
23 claim was mailed on April 17th, 2020. So you are citing the
24 Commonwealth bar date in 2018, but it appears, on the face of
25 the proof of claim, that this should be considered a claim

1 | against PBA, not against the Commonwealth, and it looks to be
2 | timely. Will you please explain why you are calling it
3 | untimely as against the Commonwealth?

4 | (Sound played.)

5 | MS. STAFFORD: Well, we are considering it untimely
6 | as against the Commonwealth, Your Honor, because it was
7 | indicated as a claim that was being asserted against the
8 | Commonwealth, and to the extent Ms. Rosario-Cuevas intends to
9 | assert a claim against the Commonwealth, it would be
10 | late-filed, because it has arisen many years after the
11 | Commonwealth's bar date. To the extent that
12 | Ms. Rosario-Cuevas intended to assert a claim against PBA,
13 | which is not what the proof of claim indicated, but to the
14 | extent that that is what Ms. Rosario-Cuevas intended to
15 | assert, we would not object to simply reclassifying the claim
16 | to be asserted against PBA, instead of against the
17 | Commonwealth.

18 | THE COURT: According to the records we have, the
19 | claimant, Ms. Rosario-Cuevas, actually did not indicate which
20 | debtor it was on the top of her proof of claim, but Prime
21 | Clerk seems to have characterized it as a claim against the
22 | Commonwealth. So if, in fact, Ms. Rosario-Cuevas confirms
23 | that her claim is against the PBA for compensation, the
24 | Oversight Board will reclassify it and consider it as a timely
25 | claim against PBA; is that correct?

1 MS. STAFFORD: That is correct, Your Honor.

2 THE COURT: Thank you.

3 Ms. Rosario-Cuevas, are you seeking to recover the
4 wages, the wage increases from the PBA or from the
5 Commonwealth of Puerto Rico?

6 MS. ROSARIO-CUEVAS: From the Public Buildings
7 Authority.

8 THE COURT: So there was a mistake in the way your
9 claim was indicated in the records here. The Oversight Board
10 understands that now and will consider your claim as one
11 against the Public Buildings Authority, and it will go forward
12 as a claim against the Public Buildings Authority. Is that
13 acceptable to you?

14 MS. ROSARIO-CUEVAS: Acceptable.

15 THE COURT: Very well then. My ruling is that the
16 374th Omnibus Objection is overruled as to claim no. 173790 of
17 Maria Vianey Rosairo-Cuevas, because her claim is not against
18 the Commonwealth. On the consent of the Oversight Board and
19 the claimant, this claim is reclassified as a claim against
20 the Public Buildings Authority.

21 Thank you very much for coming to court today,
22 Ms. Rosario-Cuevas.

23 MS. ROSARIO-CUEVAS: Likewise to both of you, and
24 have a nice day.

25 THE COURT: Thank you. You, too.

1 The next Agenda item for which a person is present to
2 speak in the courtroom is Agenda Item III.14, the 374th
3 Omnibus Objection, and the response to that objection of Nydia
4 Febo-Vazquez.

5 So would Ms. Febo-Vazquez please come to the podium?

6 Good morning. Would you please state your full name?

7 MS. FEBO-VAZQUEZ: Okay. Good morning. My name is
8 Nydia Febo-Vazquez.

9 THE COURT: Again, good morning. I will now ask the
10 attorney for the Oversight Board, Ms. Stafford, to explain the
11 objection to your claim.

12 MS. STAFFORD: Thank you, Your Honor.

13 The 374th Omnibus Objection seeks to disallow proofs
14 of claim which were filed after the bar dates established by
15 the Court's bar date orders, which, for the Commonwealth,
16 COFINA, HTA, ERS, and PREPA was June 29th of 2018, and, for
17 PBA, was July 29th of 2020. Pursuant to the terms of the bar
18 date orders, if a claimant failed to file a proof of claim on
19 or before the applicable bar date, that claimant would be
20 barred, estopped, and enjoined from asserting a claim against
21 the debtors, and the debtors would be forever discharged from
22 indebtedness and liability with respect to such claims.

23 The response scheduled for hearing this morning was
24 filed by Ms. Nydia Febo-Vazquez with respect to Proof of Claim
25 No. 168048, and it's available on the docket at ECF no. 18177.

1 This proof of claim was filed on January 2nd, 2019, eight
2 months after the Commonwealth's bar date. The Febo-Vazquez
3 claim asserts liabilities arising from a litigation initiated
4 by Ms. Febo-Vazquez against the Puerto Rico Industrial
5 Commission for alleged political discrimination and civil
6 rights violations. It also attached a copy of a complaint
7 filed by Febo-Vazquez on June 15th of 2018.

8 The response does not dispute that the claim was
9 filed after the bar date, but it explains that
10 Ms. Febo-Vazquez filed an administrative case with the Puerto
11 Rico Department of Labor in May of 2017, and received
12 permission to litigate from the Puerto Rico DOJ on February
13 26th, 2018, as well as permission to litigate from the United
14 States Equal Employment Opportunity Commission on April 5th of
15 2018.

16 As noted, the lawsuit was filed in June 2018, after
17 which the Puerto Rico Industrial Commission sought to stay the
18 suit. In August of 2018, the Court granted it. The Court
19 also denied Ms. Febo-Vazquez's reconsideration motion with
20 respect to the stay request in September of 2018. For those
21 reasons, and because the stay was not put into place in the --
22 in Ms. Febo-Vazquez's litigation, Ms. Febo-Vazquez contends
23 the proof of claim was timely filed.

24 We would submit, Your Honor, that that response does
25 not provide a valid explanation for the failure to file a

1 proof of claim, because Ms. Febo-Vazquez acknowledges that an
2 administrative complaint was filed as early as 2017, and
3 authorization to sue was granted in 2018, in advance of the
4 bar date. To the extent Ms. Febo-Vazquez contends she was not
5 able to file a proof of claim because her state court lawsuit
6 had not yet been stayed, that does not obviate
7 Ms. Febo-Vazquez's requirement to file a proof of claim
8 regardless of the status --

9 (Sound played.)

10 MS. STAFFORD: -- of her pending state court
11 proceeding. And accordingly, Your Honor, we would submit that
12 the -- we would request the objection be sustained and the
13 proof of claim be disallowed.

14 THE COURT: Thank you, Ms. Stafford.

15 Ms. Febo-Vazquez, would you like to make your
16 response?

17 MS. FEBO-VAZQUEZ: Yes. Everything that she is
18 claiming is correct, but we submitted our proof of claim by
19 e-mail before the date of February 22nd, 2019. It was served
20 on February 11th, 2019, with all of its attachments.

21 THE COURT: The deadline was in June of 2018. The
22 deadline was June 29th, 2018, so the Oversight Board is saying
23 that your claim, whether it was filed in January or February
24 of 2019, was too late, that it was past the deadline, and you
25 haven't offered a legally recognizable reason for delaying

1 filing your proof of claim after June 29th of 2018.

2 Do you have a reason why your proof of claim was not
3 filed by that deadline that you would like the Court to
4 consider?

5 MS. FEBO-VAZQUEZ: Yes.

6 THE COURT: Please explain.

7 MS. FEBO-VAZQUEZ: The state court ordered a stay of
8 the proceedings in the case on August 27th, 2018, and
9 reconsideration of the order to stay the proceedings was
10 requested through a motion to reconsider dated August 31st,
11 2021. The state court denied the reconsideration in an order
12 dated September 25th, 2018, and so I had to assess how I was
13 going to go forward with the claim. I had to decide whether
14 to go to the Court of Appeals of Puerto Rico, for which I had
15 a period of time established by law, or whether I should seek
16 a waiver of the stay of the proceedings with the United States
17 District Court, or whether I should file the proof of claim.

18 THE COURT: Thank you.

19 Ms. Stafford, would you like to respond?

20 MS. STAFFORD: Yes, Your Honor, just briefly.

21 Ms. Febo-Vazquez was obligated to file a proof of claim in
22 respect of any proceeding that she understood may result in an
23 obligation to pay her, regardless of whether or not that
24 proceeding was subject to the PROMESA stay, or had, you know,
25 been stayed formally by the Court or not. And since it's

1 clear from the documentation that Ms. Febo-Vazquez has
2 submitted that the -- that she had the ability to file the
3 claim in advance of the deadline and did not, has not
4 otherwise given an explanation for not filing a proof of claim
5 in advance of the deadline, we would still request the Court
6 sustain the objection and disallow the claim.

7 THE COURT: Thank you.

8 I will now make my ruling. I have reviewed the
9 submissions, and listened carefully to what has been said here
10 today. My ruling is that the 374th Omnibus Objection is
11 sustained as to claim no. 168048 filed by Nydia Febo-Vazquez.
12 That claim is disallowed in its entirety as late-filed. It
13 was filed more than six months after the Commonwealth's bar
14 date, and it was filed in connection with a complaint that was
15 filed before the bar date. No valid explanation has been
16 given for the six-month delay between the passing of the bar
17 date and the filing of the proof of claim, because PROMESA
18 required that the proof of claim be filed by June 29th, 2018,
19 even though the state court proceedings were ongoing. The
20 requirement of a filing of a proof of claim is to file a claim
21 indicating that the person believes that they are, or
22 ultimately will be, entitled to payment from the Commonwealth.
23 That is why the stay in the state court proceedings, and
24 decisions about the state court proceedings, are not a valid
25 reason for filing after the bar date. Therefore, Proof of

1 Claim No. 168048 is disallowed as untimely filed in its
2 entirety.

3 Thank you for coming to court, Ms. Febo-Vazquez, and
4 this portion of the hearing is concluded.

5 MS. FEBO-VAZQUEZ: Thank you.

6 THE COURT: We will now take a ten-minute break
7 before continuing with the hearings on the objections for
8 which there are no speakers.

9 (At 11:29 AM, recess taken.)

10 (At 11:41 AM, proceedings concluded.)

11 THE COURT: Good morning. This is Judge Swain. We
12 are back for the resumption of the Hearing on the Objections
13 to Claims. The next Agenda item is number I.2, the 361st
14 Omnibus Objection, and the response of Hector
15 Villalongo-Ortiz.

16 Ms. Stafford?

17 MS. STAFFORD: Thank you, Your Honor.

18 The 361st Omnibus Objection was filed at ECF no.
19 17921, and it seeks to disallow proofs of claim which do not
20 provide information sufficient to enable the debtors to
21 reconcile the claims. Each claimant subject to the 361st
22 Objection was sent a mailing pursuant to the Court's order
23 authorizing the debtors to send such mailings to claimants
24 seeking additional information regarding their claims.
25 Further, each of the claimants subject to the 361st Objection

1 | responded to the mailings, but their responses did not provide
2 | information sufficient to enable the debtors to reconcile
3 | their claims.

4 | The response was filed by Hector Villalongo-Ortiz
5 | with respect to Proof of Claim No. 2221, and it was filed on
6 | the docket at ECF no. 18137. This proof of claim purports to
7 | assert liabilities against the Municipal Government of San
8 | Juan, but it does not provide any additional information in
9 | support of the claim. Because the claim did not provide
10 | information sufficient to enable the debtors to reconcile the
11 | claim, the debtors sent a mailing to Mr. Villalongo-Ortiz who
12 | responded, and, in his response, alleged that the basis of the
13 | claim was a lawsuit related to a work-place accident while
14 | Mr. Villalongo-Ortiz worked in sanitation, because that
15 | mailing response still did not provide information sufficient
16 | to enable the debtors to reconcile the claim, such as an
17 | identification of a case number, or a title for the lawsuit,
18 | the debtors included the claim on the 361st Omnibus Objection.

19 | Consistent with the Court's order last week, the
20 | debtors filed that mailing response on the docket at ECF no.
21 | 20134. Mr. Villalongo-Ortiz also filed a response to the
22 | 361st Omnibus Objection in which Mr. Villalongo-Ortiz
23 | reiterates that the claim arises from an unpaid judgment, but
24 | the only case caption Mr. Villalongo-Ortiz provides is PROMESA
25 | Title III, and the only case number provided is the case

1 number of the Commonwealth's Title III case. Accordingly,
2 because neither the claim, the mailing response, nor the
3 response submitted in response to the Omnibus Objection
4 provides information sufficient to enable the debtors to
5 reconcile the claim, we would ask the Court to grant the
6 objection and disallow the claim, notwithstanding the
7 response.

8 Thank you, Your Honor.

9 THE COURT: Thank you, Ms. Stafford.

10 I reviewed the filings in advance of today's hearing,
11 and have listened carefully to your remarks. The hearing on
12 this objection to the claim was in the -- was noticed up for
13 8:30 this morning New York time, 9:30 Atlantic Standard Time,
14 and I note that Mr. Villalongo-Ortiz has not appeared.

15 Based on the record, I sustain the objection to the
16 361st Omnibus Objection as to claim no. 2221 of Hector
17 Villalongo-Ortiz. That claim is disallowed in its entirety,
18 because neither the proof of claim, nor the supplemental
19 responses submitted by Mr. Villalongo-Ortiz provides a
20 sufficient explanation of the basis for asserting a claim
21 against the Commonwealth, documentation of the basis of the
22 claim, or any information that would permit the debtors or the
23 Court to identify the lawsuit related to a workplace accident
24 that Mr. Villalongo-Ortiz referenced in the form that he
25 returned to the debtor. Claim No. 2221 is disallowed in its

1 entirety.

2 The next Agenda item is number I.3, the 362nd Omnibus
3 Objection, and the response to that objection filed by Maria
4 A. Clemente-Rosa.

5 Ms. Stafford.

6 MS. STAFFORD: Thank you, Your Honor.

7 The 362nd Omnibus Objection was filed at ECF no.
8 17927, and it seeks to reclassify proofs of claim that
9 incorrectly or improperly asserted entitlement to either
10 secured status or administrative priority. The response was
11 filed by Ms. Maria Clemente-Rosa with respect to Proof of
12 Claim No. 133778, and it was submitted directly to the
13 debtors, and filed on the docket at ECF no. 20003-5, with a
14 certified translation available at ECF no. 20003-6.

15 This proof of claim purports to assert liabilities
16 associated with Ms. Clemente-Rosa's asserted entitlement to a
17 promotion to the rank of teacher pursuant to the Teaching
18 Career Act, or Carrera Magisterial. It attaches as supporting
19 documentation, among other things, various materials relating
20 to Ms. Clemente-Rosa's assertion that she is entitled to a
21 promotion to the rank of teacher pursuant to the Teaching
22 Career Act. It also purports to be entitled to administrative
23 expense status pursuant to 11 U.S.C. § 503(b)(9). In order to
24 be entitled to an administrative expense status pursuant to 11
25 U.S.C. § 503(b)(9), Ms. Clemente-Rosa would have to

1 demonstrate that she has sold goods to the debtors within 20
2 days of the commencement of the Title III cases. The response
3 does not indicate that Ms. Clemente-Rosa sold goods during the
4 required statutory time period to the debtors, and nor does it
5 provide any other basis on which the Court might grant
6 administrative expense priority status to Ms. Clemente-Rosa's
7 claim. And on that basis, Your Honor, we would request the
8 Court sustain the objection and reclassify the claim.

9 THE COURT: Thank you, Ms. Stafford.

10 I've reviewed the filings, and listened carefully to
11 the remarks on the record. Ms. Clemente-Rosa has not appeared
12 in opposition to the objection today. My ruling is as
13 follows: The 362nd Omnibus Objection is sustained as to claim
14 no. 133778 of Maria Clemente-Rosa. That claim is reclassified
15 as a general unsecured claim, because it does not concern the
16 sale of goods within the statutory period defined in §
17 503(b)(9) of the Bankruptcy Code, nor does it assert a basis
18 for treatment as an administrative expense claim for
19 obligations that accrued post petition. Accordingly, claim
20 no. 133778 is reclassified as a general unsecured claim.

21 The next Agenda item is Item number I.6, which is
22 the -- just one moment here -- which is the 367th Omnibus
23 Objection, and the response of Maria Franco-Soto.

24 Ms. Stafford, would you please argue the objection?

25 MS. STAFFORD: Thank you, Your Honor.

1 The 367th Objection filed at ECF no. 17933 seeks to
2 reclassify certain claims associated with either salaries owed
3 by Commonwealth agencies, or pensions purportedly owed to
4 public employees. And both types of liabilities would lie, if
5 at all, with the Commonwealth, and not with ERS.

6 Ms. Maria Franco-Soto filed a response at ECF no.
7 18209 with respect to Proof of Claim No. 16543. This proof of
8 claim was filed against ERS, and asserts liabilities
9 associated with pension contributions made by Ms. Franco-Soto.
10 Pursuant to the legislation enacting the PayGo system, any
11 pension payments have been assumed by the Commonwealth and
12 are, therefore, owed by the Commonwealth, and not by ERS.

13 The response alleges that the legislation is not
14 applicable to Ms. Franco-Soto's claim, because the
15 legislation, Act 106, is of perspective application only to
16 pension liabilities contracted after 2017. The response
17 further presents additional arguments why Ms. Franco-Soto
18 should be entitled to payment of amounts contributed for her
19 retirement. The response does not, however, address the
20 debtors' contention that the Commonwealth has assumed
21 responsibility for the payment of pensions pursuant to the
22 legislation, and its contention that the legislation does not
23 apply to pension liabilities enacted prior to its enactment or
24 earned prior to its enactment is incorrect, because Law 106
25 specifically states that all benefit obligations, all ongoing

1 benefit obligations of ERS were to be assumed by the
2 Commonwealth. Accordingly, because Ms. Franco-Soto does not
3 address the contention that the liabilities asserted are
4 properly asserted before the Commonwealth, and not ERS, the
5 debtors would request the Court sustain the objection and
6 reclassify the claim, notwithstanding the response.

7 Ms. Franco-Soto will not be prejudiced by this
8 reclassification, as she will retain a claim asserting her
9 pension liabilities against the Commonwealth, and it will be
10 treated pursuant to the Plan.

11 THE COURT: Thank you.

12 I reviewed the submissions, and have listened
13 carefully to the statements on the record today. My ruling is
14 that the 367th Omnibus Objection is sustained as to claim no.
15 16543 of Maria Franco-Soto. That claim is reclassified as a
16 claim against the Commonwealth, because ERS's pension-related
17 obligations have been assumed by the Commonwealth pursuant to
18 Act 106. Claim no. 16543 is reclassified as a claim against
19 the Commonwealth.

20 The next Agenda item is number I.7, the 367th Omnibus
21 Objection, and the response of Sonia N. Lopez-Baez.

22 Ms. Stafford.

23 MS. STAFFORD: Thank you, Your Honor.

24 As noted, the 367th Omnibus Objection seeks to
25 reclassify claims associated with salaries and pension

1 obligations to be asserted against the Commonwealth, and not
2 against ERS. This response was filed by Sonia Lopez-Baez with
3 respect to Proof of Claim No. 9987, and it was filed on the
4 docket at ECF no. 18875. This proof of claim was filed
5 against ERS, and it asserts liabilities associated with a
6 judgment of divorce by mutual consent, which appears to have
7 resulted in certain pension liabilities being credited to
8 Ms. Lopez-Baez.

9 Pursuant to the legislation enacting the PayGo
10 system, as noted, any pensions would be owed by the
11 Commonwealth, and not by ERS. The Lopez-Baez response does
12 not dispute that any liabilities associated with
13 Ms. Lopez-Baez's husband's pension would be properly owed by
14 the Commonwealth, and not by ERS. Instead, it references an
15 alleged child support debt dispute between Ms. Lopez-Baez and
16 her ex-husband.

17 To the extent that Ms. Lopez-Baez seeks to assert
18 liabilities associated with child support payments, those
19 liabilities are also appropriately asserted, if at all,
20 against the Child Support Administration, which is not a part
21 of ERS. Accordingly, because the Lopez-Baez response does not
22 address the contention that the liabilities asserted, whether
23 they be pension liabilities or child support liabilities, are
24 properly asserted before the Commonwealth, and not ERS, the
25 debtors would respectfully request the Court sustain the

1 objection and reclassify the claim, which will remain pending
2 before the Commonwealth.

3 THE COURT: Thank you, Ms. Stafford.

4 So that I'm understanding clearly, is it the
5 Oversight Board's position that any claims against the Child
6 Support Administration are properly asserted against the
7 Commonwealth, because that is a division of the Commonwealth,
8 rather than some stand-alone entity?

9 MS. STAFFORD: I actually don't know, as I sit here,
10 whether the Child Support Administration is considered to be a
11 part of the Commonwealth, or is considered to be a stand-alone
12 agency. But I do know that it is not a part of ERS, and so to
13 the extent that it is -- that this claim asserts those
14 liabilities, those should be asserted against the
15 Commonwealth, and not ERS. But we would reserve the right to
16 review the Child Support Administration's establishing
17 documents to determine whether or not the claim should be
18 asserted against the Commonwealth at all.

19 THE COURT: So at this point you are seeking
20 reclassification of the entire Lopez-Baez claim as a claim
21 against the Commonwealth, subject to any further substantive
22 objection to the portion of the claim -- well, to any portion
23 of the claim, but certainly to the portion of the claim that
24 relates to child support; is that correct?

25 MS. STAFFORD: That's correct, Your Honor.

1 THE COURT: Thank you.

2 I've reviewed the filings, and listened to the
3 remarks and clarification on the record. My ruling is as
4 follows: The 367th Omnibus Objection is sustained as to claim
5 no. 9987 filed by Sonia N. Lopez-Baez. That claim is
6 reclassified as a claim against the Commonwealth, rather than
7 ERS, because ERS's pension-related obligations have been
8 assumed by the Commonwealth pursuant to Act 106, and because
9 it appears at this juncture that any claims related to unpaid
10 child support obligations would properly be asserted against
11 the Commonwealth, rather than ERS. Therefore, claim 9987 is
12 reclassified in its entirety as a claim against the
13 Commonwealth.

14 MS. STAFFORD: Thank you, Your Honor.

15 THE COURT: Thank you.

16 The next Agenda item is Agenda I.8, which is the
17 368th Omnibus Objection, and the response to that objection of
18 Todd Hauck, H-a-u-c-k.

19 Ms. Stafford?

20 MS. STAFFORD: Thank you, Your Honor.

21 Excuse me. The 368th Omnibus Objection was filed at
22 ECF no. 17934, and it seeks to disallow proofs of claim that
23 are based on liabilities which have been satisfied. The
24 response was filed by Mr. Todd Hauck with respect to Proof of
25 Claim No. -- ECF no. -- 9269, and it is available at ECF no.

1 18160.

2 His proof of claim asserts liabilities associated
3 with an ownership in bearer bonds held by the claimant. The
4 claim asserts liability on the basis of a bearer bond issued
5 by PRASA, and it contains supporting documentation showing
6 ownership of bearer bonds issued by both PRASA and HTA. The
7 Hauck Response acknowledges that Mr. Hauck has received
8 payment in full of the HTA bearer bond, but states that the
9 PRASA bearer bond remains outstanding.

10 In light of Mr. Hauck's response, the debtors would
11 request the Court sustain the 368th Omnibus Objection solely
12 with respect to any assertion that the Hauck claim seeks to
13 assert payment for the HTA bearer bond. We would reserve the
14 determination with respect to the PRASA bearer bond, and allow
15 the Hauck claim to remain outstanding to the extent it's
16 asserting only the PRASA bearer bond.

17 THE COURT: I have a couple of clarification
18 questions for you on this one as well. The document that was
19 attached to, or referenced in, the proof of claim seems to
20 have the reference to HTA bonds marked off, x-ed out
21 completely, and so -- and that was the only reference to HTA
22 that we were able to find in that documentation. So what is
23 the basis for your understanding that it asserts a proof of
24 claim as to HTA at all?

25 MS. STAFFORD: To be frank, Your Honor, it just

1 wasn't clear to us whether or not there would be an effort to
2 assert the HTA bearer bond as well, and so, as a result of
3 that, we just wanted to make it abundantly clear that the HTA
4 bearer bond is not going to be asserted as a part of this
5 claim.

6 THE COURT: Then, as to the reference to the Puerto
7 Rico Water Resources Authority Electric Revenue Bond, a 1968
8 series, it appears that the Puerto Rico Water Resources
9 Authority was a predecessor to PREPA, rather than PRASA, and
10 that information we found in annotations to 22 L.P.R.A. § 191,
11 which includes the information that "the Water Resources
12 Authority created pursuant to Act No. 83 of May 2nd, 1941, is
13 hereby designated with the new name of Puerto Rico Electric
14 Power Authority."

15 So what are you -- are you just seeking at this point
16 for the Water Authority-related aspect of the claim to remain
17 in place subject to possible future requests to reclassify or
18 to disallow as against a nondebtor entity?

19 MS. STAFFORD: That's correct, Your Honor. We are
20 not at this time seeking any relief with respect to the PRASA
21 or PREPA-related bearer bonds.

22 THE COURT: Very well. Thank you for that
23 clarification.

24 My ruling is as follows: The 368th Omnibus Objection
25 is sustained as to claim no. 9269 solely to the extent that

1 that claim might be construed as seeking recovery on account
2 of the HTA bonds that Mr. Hauck agrees have already been
3 satisfied. So to the extent it asserts a claim with respect
4 to HTA bonds, that claim is disallowed as previously
5 satisfied.

6 The objection is overruled to the extent it might be
7 understood to make any objection relating to the Puerto Rico
8 Water Resources Authority Bonds that are referenced in the
9 proof of claim, and the claim survives this motion practice to
10 the extent it asserts claims based on Puerto Rico Water
11 Resources Authority Bonds.

12 MS. STAFFORD: Thank you, Your Honor.

13 THE COURT: Thank you.

14 The next Agenda item is Agenda Item I.9, the 374th
15 Omnibus Objection, and the response of Eric Josue Soto-Sanchez
16 to that objection.

17 MS. STAFFORD: Thank you, Your Honor.

18 This 374th Omnibus Objection filed at ECF no. 17923
19 seeks to disallow proofs of claim filed after the bar dates
20 established by this Court's bar date orders. The response
21 scheduled for hearing this morning -- or this afternoon, was
22 filed by Eric Josue Soto-Sanchez with respect to Proof of
23 Claim No. 108658, and it was filed on the docket at ECF no.
24 19046.

25 This proof of claim was filed on July 17th, 2018,

1 about three weeks after the Commonwealth's bar date, and it
2 asserts liabilities associated with a litigation captioned
3 *Rosa Lydia Velez v. Puerto Rico Department of Education*.

4 The response purports to provide proof that the
5 P.O.C. was timely filed. However, it attaches a filing
6 receipt from Prime Clerk which provides the date filed. It's
7 July 17th, 2018, again, nearly three weeks after the bar date.
8 Notably, in addition, the claim attaches an envelope that was
9 postmarked in San Juan, Puerto Rico, on July 12th, 2018, about
10 two weeks after the bar date. Accordingly, because the
11 response does not demonstrate that the claim was timely filed,
12 and does not provide an explanation for the failure to timely
13 file a proof of claim, we would respectfully request the Court
14 sustain the objection and disallow the claim.

15 THE COURT: Thank you, Ms. Stafford.

16 This claimant, as you've noted, referred to the *Lydia*
17 *Velez v. Department of Education* litigation, and I understand
18 that there has been some master proof of claim filed with
19 respect to that litigation. Do you know whether this claimant
20 is covered by the master proof of claim?

21 MS. STAFFORD: I do not offhand, Your Honor. I do
22 know that that master proof of claim asserted the rights of
23 many, but -- the vast majority, but not all of the individuals
24 who were members of this litigation.

25 THE COURT: So to the extent that this person,

1 Mr. Soto-Sanchez, turns out to be someone listed in that
2 master proof of claim, this disallowance of his individual
3 proof of claim would not disqualify him from recovering under
4 the master proof of claim; is that correct?

5 MS. STAFFORD: That's correct, Your Honor. The
6 master proof of claim would remain for resolution, and
7 Mr. Soto-Sanchez would be entitled to recovery through that
8 master proof of claim to the extent he is listed on it.

9 THE COURT: Thank you.

10 My ruling is as follows: The 374th Omnibus Objection
11 is sustained as to claim no. 108658 filed by Eric Josue -- I'm
12 sorry. Did I get the number wrong, Ms. Stafford?

13 MS. STAFFORD: It's 108658. I think that is right,
14 if I heard you correctly.

15 THE COURT: That's what I thought I said.

16 So claim no. 108658 filed by Eric Josue Soto-Sanchez,
17 that claim is disallowed in its entirety, because it was filed
18 approximately three weeks after the applicable bar date. This
19 ruling does not affect any master proof of claim that may have
20 been filed on Mr. Soto-Sanchez's behalf in connection with the
21 *Lydia Velez* litigation.

22 MS. STAFFORD: Thank you, Your Honor.

23 THE COURT: Thank you.

24 The next Agenda item is Agenda Item I.10, which also
25 relates to the 374th Omnibus Objection, in this instance the

1 response of Gladys Minguela-Vazquez.

2 Ms. Stafford.

3 MS. STAFFORD: Yes. Thank you, Your Honor.

4 Ms. Minguela-Vazquez's response relates to Proof of
5 Claim Nos. 179355 and 179367. This response was mailed
6 directly to the debtors, and filed -- actually, these
7 responses, there were two, were mailed directly to the
8 debtors, and filed at ECF nos. 19995-1 through 19995-4. These
9 proofs of claim were filed on June 16th, 2021, almost three
10 years after the Commonwealth bar date. They do not explain
11 the basis or amount of the claims, and they do not identify an
12 entity or agency purportedly owing liabilities to
13 Ms. Minguela-Vazquez.

14 The responses consist of two completed information
15 request forms in which Ms. Minguela-Vazquez asserts she is
16 owed thousands in allegedly accrued but unpaid wages and
17 employment-related benefits purportedly owed by the Puerto
18 Rico Department of Education. They do not, however, dispute
19 that the claims were not timely filed, and they do not provide
20 an explanation for Ms. Minguela-Vazquez's failure to timely
21 file a proof of claim. Accordingly, because the response does
22 not either dispute the contention the claims were not timely
23 filed and does not provide an explanation for the failure to
24 timely file the claims, the debtors would respectfully request
25 the Court sustain the objection and disallow the claims.

1 THE COURT: Thank you, Ms. Stafford.

2 My ruling is as follows: The 374th Omnibus Objection
3 is sustained as to claim nos. 179355 and 179367 filed by
4 Gladys Minguela-Vazquez. Those claims are disallowed in their
5 entirety, because they were filed approximately three years
6 after the applicable bar date.

7 The next Agenda item is number I.11, which is, again,
8 the 374th Omnibus Objection and, in this instance, it is the
9 response of Ana L. Luna-Rios to that objection.

10 MS. STAFFORD: Thank you, Your Honor.

11 Ms. Luna-Rios's response addresses Proof of Claim No.
12 174092. It was also mailed directly to the debtors, and filed
13 on the docket at ECF nos. 19995-9 and 19995-10. The proof of
14 claim was filed on June 5th, 2020, nearly two years after the
15 applicable bar date. It asserts liabilities associated with
16 allegedly accrued but unpaid wages that are purportedly owed
17 by the Department of the Family. It also attaches a page from
18 a resolution in a case captioned *Madeline Acevedo-Camacho*.

19 The response does not dispute that the claims were
20 not timely filed, and it does not provide an explanation for
21 Ms. Luna-Rios's failure to timely file a proof of claim.
22 Instead, it simply states, without explanation, that
23 Ms. Luna-Rios objects to the denial and is not in agreement
24 with the rejection. Accordingly, because the Luna-Rios
25 response does not provide an explanation for the failure to

1 | timely file a proof of claim, or provide a substantive dispute
2 | to the assertion that the Luna-Rios claim was not timely
3 | filed, we would request the Court sustain the objection and
4 | disallow the claim.

5 | And I'd note for the record that, to the extent that
6 | Ms. Luna-Rios is attempting to assert a claim relating to the
7 | *Acevedo-Camacho* case, there is a master proof of claim on file
8 | with respect to this case. I don't know whether or not it
9 | asserts Ms. Luna-Rios's rights, but to the extent it does, any
10 | liabilities that would be owed to Ms. Luna-Rios from that
11 | litigation would be preserved by that master proof of claim.

12 | THE COURT: Thank you.

13 | My ruling is that the 374th Omnibus Objection is
14 | sustained as to claim no. 174092 filed by Ana Luna-Rios. That
15 | claim is disallowed in its entirety, because it was submitted
16 | nearly two years after the applicable bar date. The
17 | disallowance of this claim does not affect any rights that
18 | Ms. Luna-Rios may have under the master proof of claim filed
19 | in connection with the *Acevedo-Camacho* litigation.

20 | MS. STAFFORD: Thank you, Your Honor.

21 | THE COURT: Thank you.

22 | The next Agenda item is number I.12, the 381st
23 | Omnibus Objection, and the response of Sara Wilna
24 | Delgado-Garcia to that objection.

25 | MS. STAFFORD: Thank you, Your Honor.

1 And I believe also on the Agenda is the 382nd Omnibus
2 Objection, which seeks to disallow a second claim on
3 substantially the same basis, so --

4 THE COURT: Yes.

5 MS. STAFFORD: -- if it's most efficient, I can
6 address them together.

7 THE COURT: Yes.

8 MS. STAFFORD: Thank you, Your Honor.

9 So the 381st Omnibus Objection was filed at ECF no.
10 17917, and the 382nd Omnibus Objection was filed at ECF no.
11 17920. Both objections seek to disallow in their entirety
12 proofs of claim that assert liabilities against entities that
13 are not Title III debtors, but that fail to provide a basis
14 for asserting liabilities against the Commonwealth or any
15 other Title III debtor.

16 The response filed was filed by Ms. Sara Wilna
17 Delgado-Garcia with respect to Proof of Claim Nos. 174501 and
18 177757, and that response is available on the docket at ECF
19 no. 19474. I'd just note for the record that Proof of Claim
20 No. 174501 is on the 381st Omnibus Objection, and Proof of
21 Claim No. 177757 is on the 382nd Omnibus Objection. Both
22 proofs of claim assert liabilities associated with allegedly
23 accrued but unpaid wage increases purportedly owed by the
24 Puerto Rico Telephone Company.

25 The Delgado-Garcia response consists of a copy of a

1 completed information request form in which Ms. Delgado-Garcia
2 states that she opposes the objection, because the money she
3 believes is owed is a liability arising pursuant to laws
4 passed by the Puerto Rico Government while the Puerto Rico
5 Telephone Company was an agency of the government. As set
6 forth in the debtors' response, however, the Puerto Rico
7 Telephone Company is not a Title III debtor, but is instead a
8 former government entity which has subsequently been
9 privatized, and is no longer in existence.

10 Neither the claim nor the response provides a basis
11 for asserting a claim against the debtor in respect of
12 liabilities owed by former government entities. And for those
13 reasons, we'd respectfully request the Court sustain both the
14 381st and 382nd Objections, and disallow the claims,
15 notwithstanding the response. Thank you.

16 THE COURT: Thank you.

17 My rulings are as follows: The 381st Omnibus
18 Objection is sustained as to claim no. 174051 of Sara Wilna
19 Delgado-Garcia. That claim is disallowed in its entirety.
20 The claim arises from debts allegedly incurred by the Puerto
21 Rico Telephone Company, which is a separate entity from the
22 Commonwealth. The Court notes in this connection that 27
23 L.P.R.A. § 409(b) provides that the debts, obligations,
24 contracts, receipts, and expenses of the Puerto Rico Telephone
25 Company shall be deemed as assets and liabilities of said

1 public corporation exclusively, and not of the Government of
2 Puerto Rico. Accordingly, the claim is disallowed. The
3 claimant has not shown a basis for the liability of any Title
4 III debtor for this claim.

5 The 382nd Omnibus Objection is sustained as to claim
6 no. 17757, also filed by Sara Wilna Delgado-Garcia, and that
7 claim is disallowed in its entirety for the same reasons. It,
8 too, relates to debts allegedly incurred by the Puerto Rico
9 Telephone Company, and does not demonstrate any basis for
10 liability of a Title III debtor for those debts.

11 MS. STAFFORD: Thank you, Your Honor.

12 THE COURT: The next Agenda item is number I.13, the
13 393rd Omnibus Objection, and the response of Jose A.
14 Rios-Collazo.

15 MS. STAFFORD: Thank you, Your Honor.

16 The 393rd Omnibus Objection was filed at ECF no.
17 17975, and it seeks to disallow proofs of claim filed after
18 the bar dates established by this Court's bar date orders.
19 The response was filed by Jose Rios-Collazo with respect to
20 Proof of Claim Nos. 179520 and 179525. This response was
21 mailed directly to the debtors, and filed on the docket at ECF
22 no. 20009-1, with a certified translation available at
23 20009-2. Both proofs of claim were filed on August 12th,
24 2021, over three years after the Commonwealth bar date. Each
25 assert liabilities associated with allegedly accrued but

1 unpaid salary increases purportedly owed by the Puerto Rico
2 Telephone Company.

3 The response does not dispute that Mr. Johnson's
4 claim -- excuse me, Mr. Rios-Collazo's claim was not timely
5 filed, and it does not provide any explanation for
6 Mr. Johnson's -- sorry, Mr. Rios-Collazo's failure to timely
7 file a proof of claim. Rather, it merely contains a photocopy
8 of one of the Rios-Collazo claims. Accordingly, because the
9 response does not dispute that the claims were not timely
10 filed and does not provide an explanation for the failure to
11 timely file a proof of claim, we would again request the Court
12 sustain the objection and disallow the Rios-Collazo claims,
13 notwithstanding the response.

14 THE COURT: Thank you.

15 My ruling is as follows: The 393rd Omnibus Objection
16 is sustained as to claim nos. 17950 and 179525 filed by Jose
17 A. Rios-Collazo, and those claims are disallowed in their
18 entirety, because they were filed approximately three years
19 after the applicable bar date.

20 The next Agenda item is number I.14, the 395th
21 Omnibus Objection, and the response to -- the response of
22 Evelyn Ramirez-Montes to that objection.

23 MS. STAFFORD: Thank you, Your Honor.

24 The 395th Omnibus Objection, which was filed at ECF
25 no. 18959, seeks to disallow claims which assert liabilities

1 that are duplicative of other proofs of claim filed against
2 the debtors. As the Court noted, the response scheduled for
3 hearing today was filed by Evelyn Ramirez-Montes at ECF no.
4 19409 with respect to Proof of Claim No. 28121. This
5 response -- this claim, excuse me, asserts liabilities
6 associated with allegedly accrued pension benefits. The
7 response does not dispute, however, that the claim is
8 duplicative of a second proof of claim, Proof of Claim No.
9 170859. Both proofs of claim assert liabilities in the same
10 amount, with the same alleged basis, and allegedly accrued but
11 unpaid monthly salary adjustment of 375 dollars. Accordingly,
12 because the response does not dispute that the claim is
13 duplicative of the remaining claim, Proof of Claim No. 170859,
14 the debtors would request the Court sustain the objection and
15 disallow the Proof of Claim No. 28121, notwithstanding the
16 response. And Ms. Ramirez-Montes will retain her second
17 claim, which will remain reserved for later determination.

18 THE COURT: Ms. Stafford, claim no. 28121 appears to
19 contain documentation that was not attached to claim no.
20 170859. Will the debtor ensure that Prime Clerk transfer the
21 documentation and associate it with the later claim?

22 MS. STAFFORD: We will make sure that that happens,
23 Your Honor. Yes. It's our intent to make sure that all
24 materials submitted with respect to both claims are reviewed
25 with respect to 170859.

1 THE COURT: Thank you.

2 My ruling is that the 395th Omnibus Objection is
3 sustained as to claim no. 28121 of Evelyn Ramirez-Montes, and
4 that claim is disallowed in its entirety, because it is
5 substantially identical to Proof of Claim No. 170859, which
6 will remain on the Claims Register for consideration.

7 MS. STAFFORD: Thank you, Your Honor.

8 THE COURT: Thank you.

9 That concludes Agenda Items I. The next set of
10 Agenda items is number II. Before we go on to that set, I
11 will ask the court staff whether they are comfortable and
12 available to continue going through the rest of the Agenda. I
13 am getting affirmative responses from the court staff here in
14 New York.

15 Ms. Tacoronte and Ms. Walker, are you prepared to
16 keep going through to the end of the objections along with
17 your colleagues in San Juan?

18 COURTROOM DEPUTY: Yes, Your Honor, we are.

19 THE COURT: Thank you.

20 Ms. Stafford, are you prepared to keep going?

21 MS. STAFFORD: Yes, Your Honor, I am.

22 THE COURT: Thank you.

23 So the next Agenda item is number II.1, the 374th
24 Objection, and the response thereto of Zoe Abigail
25 Williams-Perez.

1 MS. STAFFORD: Thank you, Your Honor.

2 The next item on the Agenda is, again, the 374th
3 Omnibus Objection, which seeks to disallow proofs of claim
4 filed after the applicable bar dates. The response was filed
5 by Zoe Abigail Williams-Perez with respect to Proof of Claim
6 Nos. 131274 and 148102. The response is available on the
7 docket at ECF no. 18530.

8 The proofs of claim were recorded as filed on July
9 3rd, 2018, four days after the applicable bar date. The
10 claims assert liabilities arising from allegedly accrued but
11 unpaid retirement contributions. The response asserts that
12 the claims were submitted by the June 29th, 2018, deadline,
13 but that the Postal Service did not deliver them until four
14 days later. However, the Bar Date Order specifically required
15 claimants to file proofs of claim so as to actually be
16 received on or before June 29th, 2018.

17 Both Williams-Perez's claims attach envelopes
18 demonstrating they were mailed via regular mail on June 28th,
19 2018. Regular mail is typically not delivered within one
20 business day, and, accordingly, the claims were not mailed so
21 as to be received by June 29th, 2018. Further, the response
22 does not provide an explanation for why the claims were not
23 mailed so as to be received by June 29th, 2018. And for that
24 reason, Your Honor, we would request the Court sustain the
25 objection, and disallow the claims, notwithstanding the

1 response.

2 THE COURT: Thank you.

3 My ruling is as follows: The 374th Omnibus Objection
4 is sustained as to claim nos. 131274 and 148102 filed by Zoe
5 Abigail Williams-Perez, because the claims were not timely
6 filed in accordance with the Court's Bar Date Order. The
7 proofs of claim were postmarked on June 28th, 2018, but the
8 deadline of June 29th, 2018, at four o'clock, was one for the
9 actual physical receipt of the proofs of claim. There is no
10 explanation for the late filing. Accordingly, claim nos.
11 131274 and 148102 are disallowed in their entirety.

12 Before we go on to the next Agenda item, I realize
13 that I neglected to get on the audible record a response -- I
14 neglected to ask for a response from Boston as to whether they
15 are prepared to continue.

16 Judge Dein, are you and your staff prepared to
17 continue through the end of the Agenda?

18 MAGISTRATE JUDGE DEIN: Yes, we are. Thank you.

19 THE COURT: Thank you. Thank you very much.

20 The next Agenda item is number I.2, the 374th
21 Objection, and the response of Edith Agostini-Aviles to that
22 objection.

23 Ms. Stafford.

24 MS. STAFFORD: Thank you, Your Honor.

25 This response -- this objection again relates to

1 proofs of claim that were filed after the bar dates
2 established by the Court's bar date orders. This response was
3 filed by Edith Agostini-Aviles with respect to Proof of Claim
4 No. 165427. The response was received directly by the debtors
5 and filed on the docket at ECF no. 19996-3, with a certified
6 translation available at 19996-4. The proof of claim was
7 filed on July 5th, 2018, six days after the applicable bar
8 date. It asserts liabilities arising from allegedly accrued
9 but unpaid wages purportedly owed by the Puerto Rico
10 Department of Labor and Human Resources.

11 The response consists of a copy of a notice
12 accompanying the objection, a portion of a printed statement
13 from Ms. Agostini-Aviles's Mi Retiro account statement, and a
14 copy of the claim. It does not otherwise address the debtors'
15 contention that the claim was not timely filed, or provide any
16 explanation for the failure to timely file a proof of claim,
17 and for those reasons, we would request the Court sustain the
18 objection and disallow the claim, notwithstanding the
19 response.

20 THE COURT: Thank you.

21 My ruling is as follows: The 374th Omnibus Objection
22 is sustained as to claim no. 165427 of Edith Agostini-Aviles,
23 because the claim was not timely filed in accordance with the
24 Court's Bar Date Order, which required physical receipt of the
25 proof of claim by June 29th, 2018, at 4:00 PM.

1 Ms. Agostini-Aviles's proof of claim was postmarked on June
2 29th, 2018, but was received after that date, and there's been
3 no valid explanation provided for the late filing.

4 Accordingly, claim no. 165427 is disallowed in its entirety.

5 MS. STAFFORD: Thank you, Your Honor.

6 THE COURT: The next Agenda item is number II.3,
7 again relating to the 374th Omnibus Objection, and this is the
8 response to that objection of Ana Maria Arocho-Gonzalez.

9 MS. STAFFORD: Thank you, Your Honor.

10 Ms. Arocho-Gonzalez's response was filed at -- was
11 received directly by the debtors and filed at ECF no. 19996-5,
12 with a certified translation available at 19996-6, and it
13 relates to Proof of Claim No. 152213. This proof of claim was
14 filed on July 5th, 2018, six days after the applicable bar
15 date. The claim asserts liabilities arising from allegedly
16 accrued but unpaid wages purportedly owed by the Puerto Rico
17 Department of Education and the Puerto Rico Department of
18 Social Services.

19 The response asserts that the claims were submitted
20 on the June 29th, 2018, deadline, but that the Post Office was
21 very crowded when Ms. Arocho-Gonzalez attempted to file her
22 claim, and due to an unintentional mistake, it was postmarked
23 later than June 29th, 2018. As noted, however, the Bar Date
24 Order specifically required claimants to file proofs of claim
25 so as to actually be received on or before June 29th, 2018.

1 The Priority Mail envelope attached to the Arocho-Gonzalez
2 claim was postmarked on June 30th, 2018, and stamped
3 "received" by Prime Clerk on July 5th, 2018. Accordingly, the
4 claim was not sent so as to be received on or before the bar
5 date, and for those reasons, we would request the Court
6 sustain the objection and disallow the claim, notwithstanding
7 the response.

8 THE COURT: Thank you.

9 My ruling is that the 374th Omnibus Objection is
10 sustained as to claim no. 152213 of Ana Maria Arocho-Gonzalez,
11 because the claim was not timely filed in accordance with the
12 Court's Bar Date Order, which required actual receipt of the
13 proof of claim by June 29th, 2018. The postmark of June 30th
14 shows that the claim was clearly untimely. No valid
15 explanation has been provided for the late filing.
16 Accordingly, claim no. 152213 is disallowed in its entirety.

17 MS. STAFFORD: Thank you, Your Honor.

18 THE COURT: Thank you.

19 The next Agenda item is number II.4, again relating
20 to the 374th Omnibus Objection, and this is the response of
21 Carmen G. Colon-Maldonado.

22 MS. STAFFORD: Thank you, Your Honor.

23 THE COURT: Ms. Stafford.

24 MS. STAFFORD: Thank you, Your Honor.

25 Ms. Colon-Maldonado's response was submitted directly

1 to debtors, and filed on the docket at ECF no. 19996-7, with a
2 certified translation available at ECF no. 19996-8. And it
3 addresses Proof of Claim No. 113161. This proof of claim was
4 filed on July 2nd, 2018, three days after the applicable bar
5 date. The claim asserts liabilities arising from allegedly
6 accrued but unpaid mileage payments arising from
7 Ms. Colon-Maldonado's employment with the Puerto Rico
8 Department of Education.

9 The response does not dispute that the claim was not
10 timely filed, and it does not provide an explanation for
11 Ms. Colon-Maldonado's failure to timely file a proof of claim.
12 Instead, it contains a copy of a notice accompanying the
13 objection, with a notation on it stating that
14 Ms. Colon-Maldonado had not understood the details of the
15 claim.

16 Because the response does not dispute that the claim
17 was not timely filed, and does not provide an explanation for
18 the failure to timely file, the debtors would again request
19 the Court sustain the objection and disallow the claim.

20 THE COURT: Now, Ms. Colon-Maldonado's response also
21 referred to having limited English proficiency, saying some
22 English terms are hard to understand. Do you have any
23 response to that as a potential excuse?

24 MS. STAFFORD: The bar date orders were served in
25 English and Spanish, and materials went out to individuals in

1 both languages, and notice was provided via advertisements
2 both on the radio and in print ads that were also in English
3 and Spanish. And so we would submit that there was adequate
4 notice of the need to timely file a proof of claim in both
5 languages, and so we would not -- we would submit that that is
6 not a valid excuse either for the failure to timely file the
7 proof of claim.

8 THE COURT: Thank you.

9 My ruling is as follows: The 374th Omnibus Objection
10 is sustained as to claim no. 113161 of Carmen G.
11 Colon-Maldonado. That claim is disallowed in its entirety,
12 because it was filed after the bar date, and because the
13 lateness of the filing of the proof of claim has not been
14 justified in a manner that demonstrates excusable neglect,
15 and, in particular, the Court notes that the forms and
16 instructions were provided in both Spanish and English.

17 The next Agenda item is number II.5, the 374th
18 Omnibus Objection, and this Agenda item is the response of
19 Alejandro Jesus Irizarry-Irizarry.

20 MS. STAFFORD: Thank you, Your Honor.

21 Mr. Alejandro Irizarry-Irizarry filed a -- or
22 submitted his response directly to the debtors, and it was
23 filed by the debtors on the docket at ECF no. 19996-3, with a
24 certified translation at ECF no. 19996-4. This response
25 addresses Proof of Claim No. 153293. This proof of claim was

1 filed on July 3rd, 2018, four days after the applicable bar
2 date. The claim asserts liabilities arising from allegedly
3 accrued but unpaid wages purportedly owed by the Puerto Rico
4 Department of Education.

5 The response consists of two letters. The first
6 letter states that Mr. Irizarry-Irizarry owns a property as an
7 inheritance from his father, and the second letter states that
8 Mr. Irizarry-Irizarry is not responsible for the alleged
9 economic mismanagement of Puerto Rico's leadership. It also
10 confirms that the date of the Irizarry-Irizarry claim is July
11 3rd, 2018. Accordingly, the response does not dispute that
12 the claim was not timely filed, and it does not provide an
13 explanation for the failure to timely file a proof of claim.
14 And for those reasons, we would again request the Court
15 sustain the objection and disallow the claim.

16 THE COURT: My ruling is as follows: The 374th
17 Omnibus Objection is sustained as to claim no. 153293 filed by
18 Alejandro Jesus Irizarry-Irizarry, and the claim is disallowed
19 in its entirety, because it was filed after the bar date, and
20 no valid explanation or justification has been provided for
21 the late filing.

22 The next Agenda item is number II.6, which again
23 relates to the 374th Omnibus Objection. This Agenda item is
24 the response of Antonio Martin-Cervera to that objection.

25 MS. STAFFORD: Thank you, Your Honor.

1 Mr. Antonio Martin-Cervera has filed two responses,
2 which are available on the docket at ECF nos. 18120 and 19803.
3 Those responses address Proof of Claim No. 167898. This proof
4 of claim was filed on November 6th, 2018, several months after
5 the applicable bar date. The claim asserts liabilities
6 arising from General Obligation Bonds issued by the
7 Commonwealth. Neither response disputes that the claim is not
8 timely filed, and, instead, the responses contain commentaries
9 on the impact of the Commonwealth's financial distress on
10 individual bondholders.

11 As set forth in the reply, the bar date orders did
12 not require parties to file proofs of claim with respect to
13 bond issuances provided their claim is limited to the
14 repayment of principal, interest, and other amounts arising
15 from applicable trust agreements or bond documents. And to
16 the extent the claimant seeks to assert a claim for amounts
17 aside from repayment of principal and interest, the bar date
18 orders did require that a proof of claim be filed.
19 Accordingly, to the extent Mr. Martin-Cervera seeks to assert
20 amounts beyond principal and interest, the claims would be
21 late-filed, and the debtors would request the Court sustain
22 the objection and disallow any assertion of amounts beyond
23 principal and interest.

24 The debtors do not seek to disallow the claims to the
25 extent they seek repayment solely of principal, interest, and

1 other related amounts arising from the bond documents on
2 Mr. Martin-Cervera's General Obligation Bond claims.

3 THE COURT: Thank you.

4 In light of the fact that the objection itself states
5 that it's seeking the total disallowance of the claim, and
6 you've now clarified through the reply and today on the record
7 that you're seeking a partial disallowance of the claim, will
8 you ensure that any eventual proposed order resolving the
9 374th Omnibus Objection makes the appropriate distinction?

10 MS. STAFFORD: We will, Your Honor. And we did take
11 note of Your Honor's order last Friday directing us to do
12 that, and we will ensure that we make that distinction for any
13 bond-related claims that appear on this objection.

14 THE COURT: Thank you.

15 My ruling is as follows: The 374th Omnibus Objection
16 is sustained as to claim no. 167898 filed by Antonio
17 Martin-Cervera, and that claim is disallowed as late-filed to
18 the extent that it asserts any claim beyond the repayment of
19 principal, interest, and other fees and expenses arising from
20 the bonds identified by the claimant. The objection is
21 overruled to the extent it seeks disallowance of any claim for
22 the repayment of principal, interest, and other fees and
23 expenses, because debtors acknowledge that the applicable bar
24 date order does not apply to such claims.

25 MS. STAFFORD: Thank you, Your Honor.

1 THE COURT: The next Agenda item is number II.7,
2 which is, again, the 374th Omnibus Objection. This Agenda
3 item is the response of Gadiel Martinez-Sanchez to that
4 objection.

5 MS. STAFFORD: Thank you, Your Honor.

6 This response was filed at ECF no. 19033, and it
7 addresses Proof of Claim No. 160968. It was -- this proof of
8 claim was filed on July 17th, 2018, about three weeks after
9 the applicable bar date. The claim asserts liabilities
10 arising from a litigation captioned *Rosa Lydia Velez v. Puerto*
11 *Rico Department of Education*.

12 The response asserts that the claim was timely filed,
13 and it attaches, as supporting documentation, a filing receipt
14 from Prime Clerk. That filing receipt provides the "date
15 filed" date as July 17th, 2018, which is, again, about three
16 weeks after the applicable bar date. Notably, in addition,
17 the claim attaches an envelope demonstrating that the
18 Martinez-Sanchez claim was mailed from San Juan, Puerto Rico,
19 on July 12th, 2018, nearly two weeks after the bar date.
20 Accordingly, because the evidence submitted with the response
21 demonstrates that the claim was not timely filed, and no
22 explanation was provided in the response for the failure to
23 timely file a proof of claim, we would request the claim be
24 disallowed and the Court sustain the objection with respect to
25 this claim.

1 THE COURT: I have two questions, Ms. Stafford.

2 First, would you just repeat the applicable claim number?

3 MS. STAFFORD: I believe it is 160968.

4 THE COURT: Thank you. This is a person who has
5 referred to the *Lydia Velez* litigation, and so am I correct
6 that the disallowance of the individual proof of claim is not
7 intended to affect any rights that that claimant may have
8 under the master proof of claim filed with respect to
9 participants in the *Lydia Velez* litigation?

10 MS. STAFFORD: Correct, Your Honor.

11 THE COURT: Thank you.

12 My ruling is as follows: The 374th Omnibus Objection
13 is sustained as to claim no. 160968 filed by Gadiel
14 Martinez-Sanchez, and that claim is disallowed in its
15 entirety, because the claim was filed more than two weeks
16 after the bar date, and the lateness of the filing has not
17 been explained with a valid justification. The disallowance
18 of claim 160968 does not extend to any rights under any master
19 proof of claim filed on the claimant's behalf in connection
20 with the *Lydia Velez* litigation.

21 MS. STAFFORD: Thank you, Your Honor.

22 THE COURT: The next Agenda item is number II.8,
23 again, the 374th Omnibus Objection, and this is with respect
24 to the response of Victor L. Rivera-Collazo to that objection.

25 MS. STAFFORD: Thank you, Your Honor.

1 This response was filed at ECF no. 18480, and it
2 addresses Proof of Claim No. 135104. This proof of claim was
3 filed on July 2nd, 2018, about three days after the applicable
4 bar date. The claim asserts liabilities arising from
5 professional services allegedly performed for the Puerto Rico
6 courts.

7 The response states that Mr. Rivera-Collazo disputes
8 the objection, because Mr. Rivera-Collazo understands that he
9 had filed his claim timely. As set forth in the Bar Date
10 Order, however, claimants were required to file proofs of
11 claim so as to actually be received on or before the
12 applicable bar date. Prime Clerk's records demonstrate that
13 it did not receive the proof of claim until July 2nd, 2018,
14 three days after the bar date. Further, Mr. Rivera-Collazo
15 has not provided proof in his response that the claim was
16 timely filed. Notably, the envelope attached to the claim
17 demonstrates that it was mailed via regular mail on June 27th,
18 2018, and regular mail is not typically delivered within two
19 business days. Accordingly, because the response does not
20 dispute that the claim was not timely filed, and does not
21 provide an explanation for the failure to do so, the claim --
22 we respectfully request the claim be disallowed and the
23 objection be sustained.

24 THE COURT: Thank you.

25 My ruling is as follows: The 374th Omnibus Objection

1 is sustained as to claim no. 135104 of Victor Rivera-Collazo,
2 and that claim is disallowed in its entirety, because the
3 claim was filed after the bar date, which was a date by which
4 the claim had to actually have been received by Prime Clerk,
5 and there's been no valid explanation for the late filing of
6 the proof of claim. Claim No. 135104 is, therefore,
7 disallowed in its entirety as untimely.

8 The next Agenda item is number II.9, again, the 374th
9 Omnibus Objection, and this Agenda item is the response of
10 Damaris Rodriguez-Carcano.

11 MS. STAFFORD: Thank you, Your Honor.

12 This response was filed on the docket at ECF no.
13 18507, and it addresses Proof of Claim No. 158327. This proof
14 of claim was filed on July 9th, 2018, about ten days after the
15 applicable bar date, and it asserts liabilities arising from
16 allegedly accrued but unpaid retirement contributions arising
17 in connection with a multi-plaintiff litigation, with lead
18 plaintiff Nilda Agosto-Maldonado.

19 The response requests that Ms. Rodriguez-Carcano's
20 case be reviewed, because she attempted to apply in person and
21 was told in person that she was within the time limit.

22 However, the response does not provide any evidence that
23 Ms. Rodriguez-Carcano attempted to submit a claim in person,
24 and Prime Clerk does not have a record of any other claims
25 filed by Ms. Rodriguez-Carcano. Further, the claim itself

1 attaches a FedEx Waybill demonstrating that it was mailed to
2 the debtors and not submitted in person. The claim itself was
3 executed on July 5th, 2018, and it attaches a waybill that
4 with -- demonstrating that it was mailed on July 6th, 2018,
5 rather than filed in person. Further, the response does not
6 provide any explanation for the failure to timely file a proof
7 of claim, particularly where, as here, the basis for the claim
8 is a litigation that was filed in 2005. Accordingly, because
9 the response does not demonstrate that the claim was timely
10 filed, and does not provide an explanation for the failure to
11 timely file a proof of claim, the debtors would respectfully
12 request the Court sustain the objection and disallow the
13 claim.

14 THE COURT: Again, this disallowance would not affect
15 any rights under a master proof of claim that may have been
16 filed on her behalf in connection with the *Agosto-Maldonado*
17 litigation?

18 MS. STAFFORD: That is correct, Your Honor.

19 THE COURT: Thank you.

20 My ruling is as follows: The 374th Omnibus Objection
21 is sustained as to claim no. 158327 of Damaris
22 Rodriguez-Carcano, and that claim is disallowed in its
23 entirety, because it was filed after the bar date, and no
24 valid explanation for the late filing has been offered. This
25 disallowance does not affect any rights that the claimant may

1 have under any master proof of claim filed in the
2 *Agosto-Maldonado* litigation.

3 MS. STAFFORD: Thank you, Your Honor.

4 THE COURT: Thank you.

5 The next Agenda item is number II.10, again relating
6 to the 374th Omnibus Objection, and this Agenda item is the
7 response of Madeline Sanchez-Rivera to that objection.

8 MS. STAFFORD: Thank you, Your Honor.

9 This response was filed at ECF no. 19203, and it
10 addresses Proof of Claim No. 145387. The claim asserts
11 liabilities arising from a litigation captioned *Rosa Lydia*
12 *Velez v. Puerto Rico Department of Education*. The response
13 asserts that the claim was timely filed, and attaches as
14 supporting documentation a filing receipt from Prime Clerk.
15 That filing receipt, however, provides the date filed as July
16 17th, 2018, again, about three weeks after the applicable bar
17 date. Notably, in addition, the claim attaches an envelope
18 demonstrating that the claim was mailed from San Juan on July
19 12th, 2018, approximately two weeks after the bar date.
20 Accordingly, because the evidence submitted with the response
21 demonstrates that the claim was not timely filed, and the
22 response does not provide an explanation for the failure to
23 timely file a proof of claim, we would request the Court
24 sustain the objection and disallow the claim.

25 And we would note that the disallowance of this proof

1 of claim would not affect Ms. Sanchez-Rivera's rights pursuant
2 to any master proofs of claim that may have been filed on her
3 behalf.

4 THE COURT: Thank you.

5 My ruling is as follows: The 374th Omnibus Objection
6 is sustained as to claim no. 145387 filed by Madeline
7 Sanchez-Rivera. That claim is disallowed in its entirety,
8 because it was filed more than two weeks after the bar date,
9 and there's been no valid explanation or justification offered
10 for the late filing. The disallowance of this claim does not
11 extend to any rights that Ms. Sanchez-Rivera may have under
12 any master proof of claim filed in connection with litigation
13 on her behalf.

14 MS. STAFFORD: Thank you, Your Honor.

15 THE COURT: Thank you.

16 The next Agenda item is, again, the 374th Omnibus
17 Objection, and the response to that objection of Judith
18 Vargas-Garcia, Ivan Noriega-Vargas, and Janitza
19 Noriega-Vargas.

20 MS. STAFFORD: Thank you, Your Honor.

21 This response was filed at ECF no. 18327, and it
22 addresses Proof of Claim No. 158363. This proof of claim was
23 filed on July 6th, 2018, about a week after the applicable bar
24 date. The claim asserts liabilities arising from a litigation
25 captioned *Rosa Lydia Velez v. Puerto Rico Department of*

1 *Education.* The response asserts that the claim was timely
2 filed and contends that the Vargas claim was sent by
3 claimants' legal representative on May 24th, 2018. However,
4 neither the response nor the claim attaches any supporting
5 documentation in support of the assertion that the claim was
6 filed on or about May 24th, 2018. Further, the claim itself
7 was executed on June 28th, 2018, and, therefore, could not
8 have been mailed on May 24th, 2018.

9 Accordingly, because the response does not
10 demonstrate that the claim was timely filed, and it does not
11 provide any explanation for the failure to timely file a proof
12 of claim, we would request the Court sustain the objection and
13 disallow the claim. And, as noted, that would not prejudice
14 any of the Vargas's rights pursuant to any master proof of
15 claim that may have been filed on their behalf.

16 THE COURT: Thank you.

17 My ruling is as follows: The 374th Omnibus Objection
18 is sustained as to claim no. 158363 filed by Ivan
19 Noriega-Vargas, Judith Vargas-Garcia, and Janitza
20 Noriega-Vargas. That claim is disallowed in its entirety,
21 because the claim was filed more than two weeks after the bar
22 date, and there's been no valid explanation or justification
23 for the late filing of the proof of claim. This disallowance
24 does not extend to any rights that the claimants may have
25 under any master proof of claim filed in connection with

1 litigation on their behalf.

2 MS. STAFFORD: Thank you, Your Honor.

3 THE COURT: Thank you.

4 The next Agenda item is number II.12, which relates
5 to the 394th Omnibus Objection, and the response to that
6 objection of Eva E. Melendez-Fraguada.

7 MS. STAFFORD: Thank you, Your Honor.

8 This 394th Omnibus Objection was filed at ECF no.
9 18958, and it seeks to disallow proofs of claim that assert
10 liabilities purportedly owed to public employees by entities
11 that are not Title III debtors. This response, as the Court
12 noted, was filed by Eva Melendez-Fraguada with respect to
13 Proof of Claim No. 177716, and the response was filed at ECF
14 no. 19420. The claim asserts liabilities associated with
15 allegedly accrued but -- excuse me, but unpaid pension
16 contributions associated with Ms. Melendez-Fraguada's
17 employment with the State Insurance Fund Corporation. As set
18 forth in the reply, however, the State Insurance Fund
19 Corporation is not a Title III debtor, but, rather, a
20 separate, legally independent entity. Neither the claim nor
21 the response provides a basis for asserting a claim against
22 the debtor in respect of liabilities purportedly owed by form
23 -- by separate government entities. Accordingly, the debtors
24 would request the Court sustain the objection and disallow the
25 claim, notwithstanding the response.

1 And I would note for the record also, Your Honor,
2 that there's a portion of this claim that is in ACR with
3 respect to the resolution of the pension-related liabilities
4 and Ms. Melendez-Fraguada's entitlement to the continued
5 payment of a specific amount of her pension. And so we would
6 request the Court disallow the claim solely in part, to allow
7 the remaining portion of the claim that addresses her right to
8 continue to receive her pension contributions to move forward
9 and be resolved in ACR.

10 THE COURT: Thank you.

11 My ruling is as follows: The 394th Omnibus Objection
12 is sustained as to the portion of claim no. 177716 that has
13 not been transferred into the ACR process. So it is
14 disallowed as to the portion that is not transferred into ACR,
15 and other than that portion, it is disallowed partially.

16 MS. STAFFORD: Thank you, Your Honor. And we will
17 make sure the proposed order submitted reflects that partial
18 disallowance.

19 THE COURT: Thank you very much.

20 We are now into part III of the Agenda, and the next
21 Agenda item is number III.1, and I'm going to ask that we
22 address first the response to the 374th Objection, because
23 that concerns a larger number of claims, including one that
24 was the subject of the 370th Omnibus Objection.

25 Is proceeding in that fashion acceptable to you,

1 Ms. Stafford?

2 MS. STAFFORD: That is acceptable, Your Honor. Thank
3 you.

4 THE COURT: Thank you. So we will start with the
5 response of William Roman-Morales to the 374th Omnibus
6 Objection.

7 MS. STAFFORD: Thank you, Your Honor.

8 The response filed with respect to the 374th Omnibus
9 Objection was submitted directly to the debtors, and filed by
10 the debtors on the docket at ECF no. 19995-6 -- excuse me, -5,
11 with a certified translation available at ECF no. 19995-6.
12 The proofs of claim addressed by the response are Proof of
13 Claim Nos. 178943 and 179392. Proof of Claim No. 178943 was
14 filed on December 7th, 2020, and Proof of Claim No. 179392 was
15 filed on June 11th, 2021, both well after the bar date.

16 The responses -- the response does not dispute that
17 the claims were not timely filed, and, instead, it requests
18 that the materials be sent to Mr. Roman-Morales in Spanish. I
19 would note for the record that the objections were provided to
20 Mr. Roman-Morales in English and Spanish, and the bar date
21 notices informing Mr. Roman-Morales of the deadlines to file
22 proofs of claim were made available and mailed out in English
23 and Spanish, and notice was provided in English and Spanish
24 via both newspaper and radio advertisements. Accordingly, the
25 response does not dispute that the claims were not timely

1 filed, and does not provide an explanation for the failure to
2 timely file a proof of claim. We would request the Court
3 sustain the objection, and disallow the claims.

4 THE COURT: Thank you.

5 My ruling is as follows: The 374th Omnibus Objection
6 is sustained as to claim nos. 178943, 179391, and 179392 filed
7 by William Roman-Morales. Those claims are disallowed in
8 their entirety, because they were filed more than two years
9 after the bar date, and no valid explanation or justification
10 for the late filing has been provided.

11 The next item with respect to Mr. Roman-Morales is an
12 objection to his claim 179391, which has just been disallowed
13 under the 374th Omnibus Objection. Is the Oversight Board
14 nonetheless pursuing its objection to that proof of claim
15 under the 370th objection?

16 MS. STAFFORD: In light of its disallowance under the
17 374th, there's no need to proceed under 370.

18 THE COURT: Thank you.

19 So the record will note that the 370th Omnibus is
20 withdrawn as against claim 179391 of William Roman-Morales.
21 Is that acceptable?

22 MS. STAFFORD: That is acceptable. Thank you.

23 THE COURT: Thank you.

24 So we proceed to the next Agenda item, which is
25 number III.2, the 374th Omnibus Objection, in this instance,

1 the response of John F. Galano to that objection.

2 MS. STAFFORD: Thank you, Your Honor.

3 This response was filed at ECF no. 18158, and it
4 addresses Proof of Claim No. 173713, which was filed on April
5 2nd, 2020, nearly two years after the applicable bar date.
6 The claim asserts liabilities arising from General Obligation
7 Bonds issued by the Commonwealth.

8 The response does not dispute that the claim was not
9 timely filed, and, instead, it states that Mr. Galano did not
10 receive notification of the bar date, and, therefore, should
11 be excused from compliance with its requirements. However,
12 the Court has already approved the broad notice given by the
13 debtors to interested parties of the Bar Date Order and Galano
14 has offered no basis to otherwise excuse himself from the
15 obligation to meet the deadlines set forth in that order.

16 As set forth in the reply, however, the bar date
17 orders did not require parties to file proofs of claim
18 provided their claim was limited to the repayment of
19 principal, interest, and other amounts arising from applicable
20 trust agreements or bond documents. And so to the extent the
21 claimant seeks to assert a claim for amounts aside from
22 repayment of principal and interest, they would have been
23 required to file a proof of claim, but to the extent they
24 sought only principal and interest on bonds, they were not
25 required to file a proof of claim. Accordingly, to the extent

1 Mr. Galano seeks to assert amounts beyond principal and
2 interest, we would submit that those claims are late-filed,
3 and we would request the Court sustain the objection and
4 disallow the claims.

5 We do not seek at this time to disallow Mr. Galano's
6 claims to the extent -- claim to the extent it seeks repayment
7 of principal and interest on Mr. Galano's GO bonds, the
8 General Objection bonds.

9 THE COURT: Thank you.

10 My ruling is as follows: The 374th Omnibus Objection
11 is sustained as to claim no. 173713 filed by John F. Galano to
12 the extent that the claim asserts any claim beyond the
13 repayment of principal, interest, and other fees and expenses
14 arising from the bonds identified by Mr. Galano. It is
15 partially disallowed on the basis of the late filing of the
16 claim, which has not been explained satisfactorily. The
17 objection is overruled to the extent that it seeks
18 disallowance of any claim for principal, interest, and other
19 fees and expenses, because the debtors acknowledge that the
20 Bar Date Order does not apply to such claims.

21 The next Agenda item is number III.3, again, the
22 374th Omnibus Objection, and this is the response of Iris
23 Garcia-Santiago to that objection.

24 MS. STAFFORD: Thank you, Your Honor.

25 This response was mailed directly to the debtors, and

1 it was filed on the docket at ECF no. 19997-1, with a
2 certified translation available at 19997-2. The proof of
3 claim at issue is 168000. This proof of claim was filed on
4 December 11th, 2018, about five months after the applicable
5 bar date, five or six months after the applicable bar date.
6 It asserts liabilities purportedly owed by Kmart Puerto Rico.

7 The response consists of a copy of a completed
8 information request form stating that the Garcia-Santiago
9 claim asserts liabilities arising from an accident at Kmart
10 store in Fajardo. It also attaches an e-mail chain between
11 Ms. Garcia-Santiago and Prime Clerk regarding the filing of a
12 proof of claim in Kmart's bankruptcy case, and a letter
13 stating that Ms. Garcia-Santiago had complied with two
14 requests for additional information mailed by the debtors in
15 this case. It does not, however, explain why the
16 Garcia-Santiago claim was filed several months after the
17 applicable bar date. Accordingly, because the response does
18 not dispute that the claim was not timely filed, and does not
19 provide an explanation for the failure to timely file a proof
20 of claim, we would request the Court sustain the objection and
21 disallow the claim.

22 THE COURT: Ms. Stafford, can you help me understand
23 why an information request form would have been sent out with
24 respect to a late-filed claim?

25 MS. STAFFORD: We did send out a number of

1 information request forms prior to starting the process of
2 objecting to late-filed claims in order to understand the
3 basis of the claim and make sure that we, you know, understood
4 whether there was any reason why the claim may not have been
5 filed timely pursuant to the bar date orders, or, you know, to
6 the extent there was any other information that could be
7 gathered to help us understand whether to object to the claim
8 as late-filed or otherwise.

9 THE COURT: Thank you.

10 My ruling is as follows: The 374th Omnibus Objection
11 is sustained as to claim no. 168000 filed by Iris
12 Garcia-Santiago, and that claim is disallowed in its entirety,
13 because it was filed more than five months after the bar date,
14 and there has been no valid excuse or justification for the
15 late filing offered by the claimant.

16 The next Agenda item is number III.4, which again
17 relates to the 374th Omnibus Objection, and this is the
18 response of Juan Pablo Lugo-Ruberte.

19 MS. STAFFORD: Thank you, Your Honor.

20 This response was mailed directly to the debtors, and
21 filed at ECF no. 19997-5, with a certified translation
22 available at 19997-6. This proof of claim -- the proof of
23 claim addressed by the response is Proof of Claim No. 168595,
24 which was filed on April 18th, 2019, nearly a year after the
25 applicable bar date. The claim asserts liabilities arising

1 from allegedly accrued but unpaid wages purportedly owed by
2 the Puerto Rico Sugar Corporation.

3 The response consists of a copy of Exhibit D to the
4 Omnibus Objection, with a handwritten note on the bottom of
5 the last page. That note states that Mr. Lugo-Ruberte just
6 received the objection on September 24th, and that
7 Mr. Lugo-Ruberte asserts an interest in his claim. It does
8 not otherwise address the debtors' contention that the claim
9 was not timely filed, and it does not provide any explanation
10 for the failure to timely file a proof of claim. Accordingly,
11 because the response does not dispute that the claim was not
12 timely filed, and does not provide an explanation for the
13 failure to timely file a proof of claim, the debtors would
14 respectfully request the Court sustain the objection and
15 disallow the claim, notwithstanding the response.

16 THE COURT: Thank you.

17 My ruling is as follows: The 374th Omnibus Objection
18 is sustained as to claim no. 168595 of Juan Pablo
19 Lugo-Ruberte. That claim is disallowed in its entirety,
20 because it was filed more than nine months after the bar date,
21 and there has been no valid excuse or justification for the
22 late filing offered.

23 The next Agenda item is number III.5, again relating
24 to the 374th Omnibus Objection, in this instance, the response
25 of Ines M. Lugo-Santana to that objection.

1 MS. STAFFORD: Thank you, Your Honor.

2 This response was filed at ECF no. 18166, and it
3 addresses Proof of Claim No. 173121. This proof of claim was
4 filed on February 4th, 2020, over a year and a half after the
5 applicable bar date. The claim asserts liabilities arising
6 from the litigation captioned *Gladys Garcia-Rubiera v. Juan*
7 *Flores-Galarza*, with case no. 02-1179. That case sought
8 reimbursement of certain duplicate insurance premiums paid by
9 Puerto Rico customers. It also attaches a copy of a letter
10 sent by AAFAF in 2018 explaining the process for seeking
11 reimbursement of duplicate insurance premiums, as well as a
12 form for requesting such reimbursements.

13 The Lugo-Santana response states Lugo-Santana sent
14 proof of payment of a double premium, and notes that there are
15 problems with the mail in Puerto Rico. It does not explain,
16 however, how postal delays in 2021, which are presumably the
17 delays referenced in the response, might have impacted
18 Lugo-Santana's ability to file a timely proof of claim in
19 2021. Furthermore, pursuant to the Court's order approving
20 the assumption of settlement agreements with the class
21 plaintiffs in the *Garcia-Rubiera* action, this claim has been
22 satisfied, and Mr. Lugo-Santana has the ability to submit a
23 proof of claim and receive reimbursement of his duplicate
24 insurance premiums through the separate process established by
25 AAFAF. Accordingly, because the response does not dispute

1 that the claim was not timely filed, and does not provide an
2 explanation for the failure to timely file a proof of claim,
3 the debtors would respectfully request the Court sustain the
4 objection and disallow the claim, notwithstanding the
5 response.

6 THE COURT: Thank you.

7 My ruling is as follows: The 374th Omnibus Objection
8 is sustained as to claim no. 173121 of Ines Lugo-Santana.
9 That claim is disallowed in its entirety as late-filed,
10 because it was filed more than a year and a half after the
11 Commonwealth's bar date, and because the lateness of the
12 filing of the proof of claim has not been justified or excused
13 in a valid manner.

14 The next Agenda item is number III.6, again, the
15 374th Omnibus Objection, and in this instance the response of
16 Maria Teresita Martin to that objection.

17 MS. STAFFORD: Thank you, Your Honor.

18 And just for the record, we'd note that Ms. Maria
19 Teresita Martin has also submitted documentation under the
20 name of Maria Soto-Villares, and so both names appear on -- or
21 may appear in the Agenda. But we just wanted to be clear on
22 the record that we understand Maria Soto-Villares and Maria
23 Teresita Martin to refer to the same individual.

24 THE COURT: Thank you for clarifying that.

25 MS. STAFFORD: Thank you.

1 This response was filed at ECF no. 18123, and it
2 addresses Proof of Claim No. 167899. This proof of claim was
3 filed on November 6th, 2018, four months after the applicable
4 bar date, and that claim asserts General Obligation bonds
5 issued by the Commonwealth.

6 The response does not dispute that the claim was not
7 timely filed, and, instead, it references a communication sent
8 by Ms. Teresita Martin's husband, Mr. Martin Cervera,
9 explaining why Ms. Teresita Martin and her husband believe
10 their bonds should be paid. The response also attaches a
11 brief commentary discussing the impact of the Commonwealth's
12 financial distress on individual bondholders.

13 As set forth in the reply, the bar date orders did
14 not require parties to file proofs of claim with respect to
15 bonds, provided that their claim is limited to the repayment
16 of principal, interest, and other amounts arising from
17 relevant bond documents. Accordingly, to the extent
18 Ms. Teresita Martin seeks to assert amounts beyond principal
19 and interest, we would submit those claims are late-filed, and
20 we would request the Court sustain the objection and disallow
21 the claims solely to the extent they assert amounts beyond
22 principal and interest. And we do not seek to disallow the
23 claims to the extent they seek repayment of principal and
24 interest on Ms. Teresita Martin's General Obligation Bonds to
25 the extent they seek solely repayment of principal and

1 interest.

2 THE COURT: Thank you.

3 My ruling is as follows: The 374th Omnibus Objection
4 is sustained as to claim no. 167899 filed by Maria Teresita
5 Martin, also known as Maria Soto-Villares, and that claim is
6 disallowed as late-filed to the extent that it asserts any
7 claim beyond the repayment of principal, interest, and other
8 fees and expenses arising from the bonds identified by the
9 claimant. The objection is overruled, however, to the extent
10 it seeks disallowance of any claim for the repayment of
11 principal, interest, and other fees and expenses, because the
12 debtors acknowledge that the Bar Date Order does not apply to
13 such bond-related claims.

14 MS. STAFFORD: Thank you, Your Honor.

15 THE COURT: Thank you.

16 The next Agenda item is number III.8, which again
17 relates to the 374th Omnibus Objection, in this instance the
18 response of Sergio Morales-Camacho.

19 MS. STAFFORD: Thank you, Your Honor.

20 This response was filed at ECF no. 18376, and it
21 addresses Proof of Claim No. 167986. This proof of claim was
22 filed on November 30th, 2018, about five months after the
23 applicable bar date. The claim asserts liabilities arising
24 from allegedly accrued but unpaid salary adjustments, and
25 attaches a judgment dated June 28th, 2017, in a case captioned

1 *Frente Unidos de Policias Organizados de Puerto Rico v. Estado*
2 *Libre Asociado de Puerto Rico, et al.*, with case no.
3 KAC2007-4170.

4 The response does not dispute that the claim was not
5 timely filed. Instead, it states that Mr. Morales-Camacho did
6 not know how to file a claim and had to be guided in that
7 process, but that he proceeded to send the claim as soon as he
8 could after his uncertainties were clarified. As noted
9 earlier, however, materials were provided to creditors in both
10 English and Spanish, and notice was widely broadcast
11 throughout Puerto Rico and certain parts of the mainland. And
12 the response does not explain what uncertainties
13 Mr. Morales-Camacho had which may have prevented him from
14 filing a proof of claim, or when and how those uncertainties
15 may have been clarified. In particular, the response does not
16 explain why Mr. Morales-Camacho was not able to file a timely
17 proof of claim in respect of a case that was filed in 2007,
18 and which has a judgment that was issued in June 2017, both of
19 which precede the Bar Date Order by a year or more.

20 Accordingly, the debtors would respectfully request the Court
21 sustain the objection and disallow the claim, notwithstanding
22 the response.

23 I do understand that there is a master proof of claim
24 filed with respect to this case number, and to the extent that
25 Mr. Morales-Camacho is a plaintiff listed on that proof of

1 claim, this disallowance would not affect any rights he might
2 have under that proof of claim.

3 THE COURT: Thank you, Ms. Stafford.

4 My ruling is as follows: The 374th Omnibus Objection
5 is sustained as to claim no. 167986 filed by Sergio
6 Morales-Camacho, and that claim is disallowed in its entirety
7 as late-filed, because it was filed five months after the bar
8 date, with no valid excuse or justification offered for the
9 late filing. This disallowance does not affect any rights
10 that he may have in connection with any master proof of claim
11 filed in litigation in which he is a participant.

12 MS. STAFFORD: Thank you, Your Honor.

13 THE COURT: Thank you.

14 The next Agenda item is number III.9, again, the
15 374th Omnibus Objection, and, in this instance, the response
16 of Jose Rafael Ortiz-Solis to that objection.

17 MS. STAFFORD: Thank you, Your Honor.

18 This response was submitted directly to the debtors,
19 and we have filed it on the docket at ECF no. 19999-1, with a
20 certified translation available at ECF no. 19999-2. The
21 response addresses Proof of Claim No. 171301, which was filed
22 on October 7th, 2019, well over a year after the applicable
23 bar date.

24 The claim asserts liabilities arising from allegedly
25 accrued but unpaid wages purportedly owed by the Department of

1 Corrections. The response does not dispute that the claim was
2 not timely filed. Instead, it consists of a copy of an
3 information request form asserting that Mr. Ortiz-Solis is a
4 plaintiff in a multi-plaintiff litigation captioned *Alfredo*
5 *Maldonado-Rodriguez v. Zoe Laboy Alvarado*, with case no.
6 1996-1381, and a handwritten letter reiterating the
7 information contained in the request form. The response also
8 attaches copies of pleadings from this *Maldonado-Rodriguez*
9 litigation. The response does not explain, however, why
10 Mr. Ortiz-Solis was unable to file a timely proof of claim in
11 respect of a case dating to 1996. Accordingly, because the
12 response does not dispute that the claim was not timely filed,
13 and does not provide an explanation for the failure to timely
14 file a proof of claim, we'd request the Court sustain the
15 objection and disallow the claim, notwithstanding the
16 response.

17 THE COURT: To the extent there is any master proof
18 of claim that covers this claimant, the disallowance would not
19 affect any entitlement under the master proof of claim?

20 MS. STAFFORD: That's correct, Your Honor.

21 THE COURT: Thank you.

22 My ruling is as follows: The 374th Omnibus Objection
23 is sustained as to claim no. 171301 filed by Jose Rafael
24 Ortiz-Solis, and that claim is disallowed in its entirety as
25 late-filed, because it was filed more than a year after the

1 Commonwealth's bar date and no valid excuse or justification
2 has been offered for the late filing. This disallowance does
3 not affect any rights that Mr. Ortiz-Solis may have under any
4 master proof of claim filed in the *Maldonado-Rodriguez*
5 litigation.

6 MS. STAFFORD: Thank you, Your Honor.

7 THE COURT: The next Agenda item is Number III.10,
8 again relating to the 374th Omnibus Objection, in this
9 instance, the response of Wesley Oswald to that objection.

10 MS. STAFFORD: Thank you, Your Honor.

11 This response was filed at ECF no. 18109, and it
12 addresses Proof of Claim No. 173735, which was filed on April
13 9th, 2020. That proof of claim asserts liabilities associated
14 with a General Obligation Bond issued by the Commonwealth.
15 The response states that it includes documents demonstrating
16 efforts Mr. Oswald undertook in the March-to-April-2020 time
17 frame to understand whether to file a proof of claim. It does
18 not otherwise dispute that the 374th Omnibus Objection -- or
19 the contention in the Omnibus Objection that the claim was
20 untimely filed. It simply states that all bondholders should
21 be paid.

22 As set forth in the reply, the bar date orders did
23 not require parties to file proofs of claim provided their
24 claims are limited to the repayment of principal, interest,
25 and other amounts arising from applicable bond documents, but

1 claimants were required to file a proof of claim to the extent
2 they sought additional amounts aside from repayment of
3 principal and interest, such as claims for investment losses.
4 Accordingly, to the extent Mr. Oswald seeks to assert amounts
5 beyond principal and interest, we would submit that those
6 claims are late-filed and should be -- and we would request
7 the Court sustain the objection and disallow the claim to the
8 extent it seeks to assert amounts beyond principal and
9 interest.

10 The debtors do not seek to disallow Mr. Oswald's
11 claim to the extent it seeks repayment solely of principal and
12 interest on Mr. Oswald's bonds.

13 THE COURT: Thank you.

14 My ruling is as follows: The 374th Omnibus Objection
15 is sustained as to claim no. 173735 filed by Wesley Oswald,
16 and that claim is disallowed as late-filed to the extent that
17 it asserts any claim beyond the repayment of principal,
18 interest, and other fees and expenses arising from the bonds
19 that Mr. Oswald has identified. The objection is overruled,
20 however, to the extent it seeks the disallowance of any claim
21 for the repayment of principal, interest, and other fees and
22 expenses, because the debtors acknowledge that the Bar Date
23 Order does not apply to such claims.

24 MS. STAFFORD: Thank you, Your Honor.

25 THE COURT: Thank you.

1 The next Agenda item is number III.11, which again
2 relates to the 374th Omnibus Objection, in this instance, the
3 response of Amilda Perez-Nieves to that objection.

4 Ms. Stafford?

5 MS. STAFFORD: Thank you, Your Honor.

6 Ms. Perez-Nieves's response was received directly by
7 the debtors, and filed on the docket at ECF no. 2000-1, with a
8 certified translation available at ECF no. -- I'm sorry. The
9 response was filed at ECF no. 20000-1, and the certified
10 translation is available at ECF no. 20002-1. The proof of
11 claim at issue is ECF -- I'm sorry, is number 171116, which
12 was filed on October 3rd, 2019, over a year after the
13 applicable bar date. The claim asserts liabilities arising
14 from allegedly accrued but unpaid wages.

15 The response does not dispute that the Perez-Nieves
16 claim was not timely filed. Instead, it consists of a
17 handwritten letter stating that Ms. Perez-Nieves was unaware
18 of the bar date, but submitted information using a form given
19 to her by a coworker. The Perez-Nieves response does not
20 explain, however, why Ms. Perez-Nieves was unable to file a
21 timely proof of claim. Notably, Ms. Perez-Nieves received
22 notice pursuant to the terms of the Bar Date Order via, again,
23 mailings, newspaper advertisements, and radio advertisements
24 as set forth in the Bar Date Order that the Court approved.
25 Because the Perez-Nieves response does not dispute that the

1 claim was not timely filed, and does not provide an adequate
2 explanation for the failure to timely file a proof of claim,
3 the debtors would respectfully request the objection be
4 sustained and the claim be disallowed.

5 THE COURT: Thank you.

6 My ruling is as follows: The 374th Omnibus Objection
7 is sustained as to claim no. 171116 of Amilda Perez-Nieves.
8 That claim is disallowed in its entirety as late-filed,
9 because it was filed more than a year after the Commonwealth's
10 bar date, and no valid explanation or justification for the
11 late filing has been offered.

12 The next Agenda item, which is our last one today,
13 is, again, the 374th Omnibus Objection, and the response of
14 Miriam E. Plaza-Cruz to that objection.

15 MS. STAFFORD: Thank you, Your Honor.

16 This response was filed on the docket at ECF no.
17 19202, and it addresses Proof of Claim No. 167977. This proof
18 of claim was filed on November 12th, 2018, about five months
19 after the applicable bar date. The claim asserts liabilities
20 arising from allegedly accrued but unpaid salary adjustments
21 purportedly owed by the Department of Health. The response
22 does not dispute that the claim was not timely filed.
23 Instead, it provides additional information regarding
24 Ms. Plaza-Cruz's employment, and explains that
25 Ms. Plaza-Cruz's local Post Office experienced delays, because

1 it has been damaged. The response does not explain, however,
2 why Ms. Plaza-Cruz was unable to file a timely proof of claim,
3 and it does not explain, in particular, how the postal delays
4 referenced may have impacted Ms. Plaza-Cruz's ability to
5 timely file a proof of claim in 2018. Accordingly, because
6 the response does not dispute that the claim was not timely
7 filed, and does not provide an explanation for the failure to
8 timely file a proof of claim, we would request the Court
9 sustain the objection and disallow the claim.

10 THE COURT: Thank you.

11 My ruling is as follows: The 374th Omnibus Objection
12 is sustained as to claim no. 167977 of Miriam Plaza-Cruz, and
13 that claim is disallowed in its entirety as late-filed,
14 because it was filed nearly five months after the
15 Commonwealth's bar date, and there has been no valid
16 explanation or justification for the late filing.

17 That concludes all of the claim Agenda items for
18 today. Thank you, Ms. Stafford, for going through those so
19 clearly and efficiently. Are there any other matters that we
20 need to address before adjourning today?

21 MS. STAFFORD: No, Your Honor, there are not.

22 THE COURT: Thank you.

23 I see no other hands raised. So this concludes the
24 hearing Agenda for today's portion of the Claim Objection
25 Hearing. We will resume to hear more responses to Omnibus

1 | Objections tomorrow beginning at 9:30 AM Atlantic Standard
2 | Time, which is 8:30 AM Eastern Standard Time.

3 | I thank the court staff in Puerto Rico, including the
4 | interpreter, the court reporter, the courtroom deputies, and
5 | the AV personnel, and everyone involved there in the support
6 | of this case, the same group of staff in New York, and in
7 | Boston, although of course we don't have the interpreter or
8 | court reporter here with us in New York and Boston; but
9 | everyone is working very hard and working very well together
10 | in the support of these hearings and the administration of
11 | these cases, and I am quite grateful for that.

12 | So stay safe and keep well, everyone. We are
13 | adjourned until tomorrow morning.

14 | (At 1:29 PM, proceedings concluded.)

15 | * * *

16 |

17 |

18 |

19 |

20 |

21 |

22 |

23 |

24 |

25 |

1 U.S. DISTRICT COURT)
2 DISTRICT OF PUERTO RICO)

3

4 I certify that this transcript consisting of 119 pages is
5 a true and accurate transcription to the best of my ability of
6 the proceedings in this case before the Honorable United
7 States District Court Judge Laura Taylor Swain, and the
8 Honorable United States Magistrate Judge Judith Gail Dein on
9 February 16, 2022.

10

11

12

13 S/ Amy Walker

14 Amy Walker, CSR 3799

15 Official Court Reporter

16

17

18

19

20

21

22

23

24

25